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Transcript Exhibit(s)

Docket #(s): T-20544A-07-0456

AZ CORP COMMISSION
DOCKET CONTROL

2008 SEP -2 P 3:52

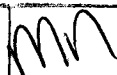
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Exhibit #: A1-A9, S1

Arizona Corporation Commission

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SEP -2 2008

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Byh A-1

July 30, 2007

Via Overnight Delivery

Docket No. _____


Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927

RE: Application of Baldwin County Internet/DSSI Service, L.L.C. for a Certificate of Convenience and Necessity to Operate as a Competitive Local Exchange Carrier throughout the State of Arizona

Enclosed for filing, please find an original and thirteen (13) copies of the Application of Baldwin County Internet/DSSI Service, L.L.C. for a Certificate of Convenience and Necessity to operate as a Competitive Local Exchange Carrier throughout the State of Arizona. The company will be providing facilities-based and resold intraexchange and interexchange data transport services using the public rights-of-way.

Any questions regarding this filing may be directed to my attention at 214-762-7576, email at mike.giles@att.net, or physical address, 6601 County Rd 166, McKinney, TX 75071-7309.
Thank you for your assistance in this matter.

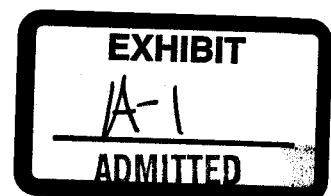
Sincerely,


Michael N. Giles
Huron Consulting Group
Consultant for
Baldwin County Internet/DSSI Service, L.L.C.

Enclosures

6601 County Rd 166
McKinney, Texas 75071-7309
P 214-762-7576 F 972-562-7449

www.huronconsultinggroup.com



Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services

Date Docketed: _____

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

Baldwin County Internet/DSSI Service, L.L.C. will not be using a d/b/a name.

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

Jeffery L. Hathaway, CEO

22645 Canal Road, Suite B, Orange Beach, AL 36561

Tel 251-224-0845, Fax 251-224-0831, Email: jeffh@dssitech.com

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

Michael N. Giles (Huron Consulting Group)

6601 County Rd 166, McKinney, TX 75071-7309

Tel 214-762-7576, Fax 972-562-7449, Email: mike.giles@att.net

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Complaint Contact Person:

Holly Reid

3800 Park Central Blvd North, Pompano Beach, FL 33064

Tel 954-770-2700, Fax 954-369-3400, Email: holly.reid@cnxntech.com

(A-7) What type of legal entity is the Applicant? Mark the appropriate box(s) and category.

☐ Sole proprietorship

☐ Partnership: ☐ Limited, ☐ General, ☐ Arizona, ☐ Foreign

☒ Limited Liability Company: ☐ Arizona, ☒ Foreign

☐ Corporation: ☐ "S", ☐ "C", ☐ Non-profit

☐ Other, specify: _____

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership of each person listed in A-8.2.

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).

The rates and charges for each service are found in Section 5, page 32 of the enclosed Tariff

2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).

The Company provides unique optical fiber transport circuits to other carriers and service providers; thus, it prices all services on an ICB (Individual Case Basis) since these circuits have little commonality. Section 5, page 32 of the Tariff defines the rates.

3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).

Terms and conditions/rules and regulations are found in Section 3 of the Tariff, pages 9 through 29.

4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).

The Company does not require deposits and advance payments as indicated in Section 3.11.7, page 24 of its Tariff.

5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

The Tariff provides for a \$25.00 returned check charge, as found in Section 3.11.5, page 23 of the Tariff.

(A-10) Indicate the geographic market to be served:



Statewide. (Applicant adopts statewide map of Arizona provided with this application).



Other. Describe and provide a detailed map depicting the area.

See Attachment E for copy of Arizona map

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

Neither Baldwin County Internet/DSSI Service, L.L.C., nor any of its owners, members or managers is currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency or law enforcement agency.

Baldwin County Internet/DSSI Service, L.L.C. filed a complaint against Gulf Telephone in Alabama in 2005. This was settled by the Commission. It should be noted that this was a complaint filed by Baldwin County Internet/DSSI Service, L.L.C. against another company, and that the proceeding has been completed.

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

Neither Baldwin County Internet/DSSI Service, L.L.C., nor any of its owners, members or managers is or has been involved in any criminal investigation or had any judgments levied against them within the last 10 years.

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

☐ Yes

☐ No

This question does not apply to Baldwin County Internet/DSSI Service, L.L.C. since the company provides fiber-based transport to other companies to connect their end-user customers to a point of interconnection (POI) designated by the customer (normally a POI with the public switched telephone network (PSTN)). These service providers ensure 1 + 101XXXX access.

(A-14) Is Applicant willing to post a Performance Bond? Please check appropriate box(s).

☒ For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes

☒ No

If "No", continue to question (A-15).

☒ For Local Exchange Resellers, a \$25,000 bond will be recommended.

Yes

☒ No

If "No", continue to question (A-15).

☒ For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

Yes

☒ No

If "No", continue to question (A-15).

☒ For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

Yes

☒ No

If any box in (A-14) is marked "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If any box in (A-14) is marked "No", provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the Applicant's superior financial position limits any risk to Arizona consumers.

Baldwin County Internet/DSSI Service, L.L.C. provides point-to-point, optical fiber transport services over public rights-of-way. The company has a five-year history of providing similar services and has adequate financial resources to continue this process. There is no need for, and the company does not require (and does not plan to require in the future), deposits from its customers, who are normally other companies providing services to end-user customers. This provision is found on Section 3.11.7, page 24 of the Company's Tariff. Additionally, the company has access to private funding for any future investment or expenses. Thus, there is no risk to Arizona consumers.

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the Applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

To be provided after instruction by the Hearing Division

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in Arizona:

Yes

X No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

Baldwin County Internet/DSSI Service, L.L.C. is a facilities-based carrier which will own, lease or acquire the facilities it will be utilizing to provide transport services.

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

Baldwin County Internet/DSSI Service, L.L.C. is currently certificated to offer telecommunication services in the states of Alabama, Florida and Mississippi

An Application for certification was recently filed in Nevada and the Company is awaiting Nevada action on it.

No applications for certification have been denied.

Alabama – Alabama Public Service Commission,

P.O Box 304260, 100N. Union St, RSA Union, Suite 850, Montgomery, AL 36130

Contact: Laneeta Roberts, Tel No. 334-242-5917, email address: laneeta.roberts@psc.alabama.gov

Florida – Florida Public Service Commission, Division of Competitive Markets and Enforcement

2540 Shumard Oak Blvd, Tallahassee, FL 32399-0850

Contact: Toni McCoy, Tel No. 850-413-6600, email address: tmccoy@psc.state.fl.us

Mississippi – Mississippi Public Service Commission

Woolfolk Building, 501 North West St., Jackson, MS 39201

Contact: Vicki Helfrich, Director, Telecommunications

Tel No. 601-961-5453, email address: Vicki.helfrich@psc.state.ms.us

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

Baldwin County Internet/DSSI Service, L.L.C. is currently is certificated in, and is providing telecommunications service in, the states of Alabama and Florida. The qualifications of its key personnel are provided below.

Baldwin County Internet/DSSI Service, L.L.C.'s officers and employees have significant experience in the telecommunications industry and extensive technical expertise. Jeffery L. Hathaway, Chief Executive Officer, has over five years experience directly in the telecommunications industry and over 25 years in the technology industry. Prior to forming Baldwin County Internet/DSSI Service, L.L.C., Mr. Hathaway had over 20 years of technical, sales, executive and entrepreneurial experiences, working for both Fortune 100 companies and early stage startups. Mr. Hathaway's experience encompasses the gamut of executive leadership roles. He spent 8 years of his career working inside billion-dollar corporations including Xerox, Businessland and Brother International. The balance of his experience has been spent founding, building and selling several small system integration businesses.

Scott Jones, Vice President of Operations, has more than 21 years experience in data and telecommunications. Mr. Jones comes from UT Starcom, where he served as the Vice President of World Wide Network Deployments.

At UT Starcom, he was responsible for the deployment and commercialization of networks around the world utilizing varying technologies such as wireless, wireline, optical and advanced IP (internet protocol) internet services. He was responsible for network deployments in Angola, Chile, Czech Republic, U.S.A. and Russia. Prior to joining UT Starcom, he served as the Director of Strategic Account Development for CopperCom. Mr. Jones was responsible for a team of specialists who provided consultative services to service providers to help develop their technical and business plans. He joined CopperCom from Lucent Technologies, where he served as the Director of Business Development for Latin America. While at Lucent, he designed and deployed several next-generation/softswitch architectures for service providers, such as ETB and Telefonica. Prior to Lucent, Mr. Jones served as the Director of Business Development for NaviNet Internet Services, where he negotiated joint ventures with several US-based Competitive Local Exchange Carriers (CLECs) to develop, deploy and maintain next generation networks utilizing combined SS7 and IP technologies. While at NaviNet, Mr. Jones and his team deployed the first commercially available softswitch network, which subsequently grew to 7 million-plus subscribers. In the mid-nineties, he was the Director of Network Operations for Ziplink, LLC, a nationwide ISP (internet service provider) utilizing the MEGA POP configuration for dial-up and dedicated Internet access. At

Ziplink, Mr. Jones developed a US-based ATM/IP network; he, also, created and managed their Network Operations Center. In the mid/late eighties, he ran the support and pre-sales divisions for BocaResearch, Inc., a Florida-based modem and PC card manufacturer.

As a member of Network Operations and Engineering team for the last 5 years, Jim Barstow, Network Engineer, has been responsible for designing and developing network topologies, routing strategies, and maintenance procedures for a network of dozens of sites interconnected with multiple DS1, DS3, OC3, and GigE connections.

He transitioned the company from a single-homed provider to a multi-homed provider with several hundred Mb/s of bandwidth by utilizing eBGP, iBGP, Static Routing, and OSPF. He is also in charge of acquiring and maintaining ARIN IP allocation information and resources to supply and document over 32 /24 Provider Independent address spaces. He performed extensive traffic engineering and analysis to best utilize upstream transit providers and peering relationships in order to mitigate costs and forecast growth requirements, deploy and operate the CopperCom Class 5 phone switch and network to provide voice services to several thousand MDU/MTU customers along the Gulf Coast region of Alabama and Florida. Mr. Barstow also developed the Company's VoIP upgrade, maintenance, and deployment strategies to transition the company into a next-generation service provider of voice, video, and data services. He developed highly redundant, reliable, and scalable network infrastructure systems to manage DNS, DHCP, and NTP services while he also headed up the development and deployment of systems to monitor and track all aspects of the network by utilizing SNMP, Cacti, MRTG, Vaonet IMPRS, and home-grown applications. Mr. Barstow was also instrumental in designing, configuring, and deploying PON-based FTTx solutions from concept to completion.

Holly Reid, Director of Customer Service, has over 10 years experience in the telecommunications service industry in the New Jersey, New York, Pennsylvania, and Florida markets. She has worked in product development, content acquisition and Call Center development and management. Ms. Reid has been the Director of Customer Service for over 2 years, developing a multi-location Call Center while assisting with customer account needs (moves, adds, changes, deletions), troubleshooting issues internally with the management team to ensure exceptional customer service. Ms. Reid's team includes 4 management positions and growth for 100 agents.

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

There are no alternative providers of the point-to-point transport services being offered by the Company that are affiliated with the Baldwin County Internet/DSSI Service, L.L.C., as defined in R14-2-801, Definition No. 1.

(A-21) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

- ☒ Decision # 64178 Resold Long Distance
- ☒ Decision # 64178 Resold LEC
- ☒ Decision # 64178 Facilities Based Long Distance
- ☒ Decision # 64178 Facilities Based LEC

B. FINANCIAL INFORMATION

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

☒ Yes

☐

No

If "No," explain why and give the date on which the Applicant began operations.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

Attachment D contains

1. Baldwin County Internet/DSSI Service, L.L.C. balance sheet for 2005 and 2006
2. Baldwin County Internet/DSSI Service, L.L.C. income statement for 2005 and 2006
(note that depreciation for 2006 is an estimated amount; the final amount will not be available until August 31, 2007)
3. The Company is privately held and is not required to have annual audits; no audit reports are available.
4. Retained earnings are included in the Company's balance sheet
5. The Company is privately held and does not file SEC documents; no related notes to financial statements are available.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

No, Baldwin County Internet/DSSI Service, L.L.C. has no parent company, as defined in R14-2-801. Financing for operations of Baldwin County Internet/DSSI Service, L.L.C. comes from private funding sources. Current funding is adequate for current operations and the expansion into Arizona.

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.
2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.

3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.
4. If the projected value of all assets is zero, please specifically state this in your response.
5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

Baldwin County Internet/DSSI Service, L.L.C. projects the following:

1. The projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval, is as follows:

\$ 67,606

2. The projected operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification, is as follows:

\$ 66,238

3. The net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first 12 months of operation, is as follows:

\$ Zero (For the first three customers, the Company will be leasing facilities to serve its customers.)

(Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.)

4. If the projected value of all assets is zero, please specifically state this in your response.

See response to 3.

5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

There will be no difference between the fair market value and the projected net book value of the Company's assets in Arizona.

C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(C-1) Indicate if the Applicant has a resale agreement in operation,

☐

Yes

☒

No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

☐ Yes ☒ No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in Arizona.

Baldwin County Internet/DSSI Service, L.L.C. plans to begin selling its transport services immediately upon being granted its Certificate of Convenience and Necessity, which should occur within 180 days of the date this application is filed.

E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59421:

☒ Yes ☐ No

(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

☐ Yes ☒ No

Baldwin County Internet/DSSI Service, L.L.C. provides carrier transport services to other service providers. As such, it does not deal directly, nor provide services directly, to end-user customers. At such time in the future that Baldwin County Internet/DSSI Service, L.L.C. does provide service to end-user customers, it will ensure that E911 services are available to customers (and the response will change to "yes").

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

X Yes

No

Although Baldwin County Internet/DSSI Service, L.L.C. plans initially to provide non-switched transport services in the state of Arizona, it utilizes a softswitch to provide switched service in Alabama, and may do so in Arizona, if customer demand warrants it. The softswitch is "fully equal access capable."

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

Jeffery L. Hathaway
(Signature of Authorized Representative)

7/30/2007
(Date)

Jeffery L. Hathaway
(Print Name of Authorized Representative)

Chief Executive Officer
(Title)

SUBSCRIBED AND SWORN to before me this 30th day of July, 2007

Chris Smith
NOTARY PUBLIC

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
My Commission Expires MY COMMISSION EXPIRES: Mar 28, 2011
COMMISSIONER NOTARY PUBLIC STATE OF ALABAMA

**BALDWIN COUNTY INTERNET/DSSI SERVICE, L.L.C.'S
CERTIFICATE OF GOOD STANDING AND OWNERSHIP
INFORMATION**

- A-8.1. Attached is a copy of Baldwin County Internet/DSSI Service, L.L.C.'s certificate of good standing as a foreign LLC.
- A-8.2/3. A list of all owners/members of Baldwin County Internet/DSSI Service, L.L.C. and their percentage of ownership follows:

<u>Name</u>	<u>Ownership Percentage</u>
Jeffery L. Hathaway	<u>100</u> %

STATE OF ARIZONA



Office of the CORPORATION COMMISSION

CERTIFICATE OF REGISTRATION

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****BALDWIN COUNTY INTERNET/DSSI SERVICE, L.L.C.*****
a foreign limited liability company organized under the laws of the
Jurisdiction of Alabama did obtain a Certificate of Registration
in Arizona on the 3rd day of July 2007.

This certificate relates only to the legal authority of the above
named entity as of the date issued. This certificate is not to be
construed as an endorsement, recommendation, or notice of approval of the
entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my
hand and affixed the official seal of the
Arizona Corporation Commission. Done at
Phoenix, the Capital, this 9th Day of
July, 2007, A. D.



[Signature]
Executive Director

By *[Signature]*

Application for Certificate of Convenience & Necessity
Baldwin County Internet/DSSI Service, L.L.C.

Attachment B

**BALDWIN COUNTY INTERNET/DSSI
SERVICE, L.L.C.'S ARIZONA COMMON CARRIER
AND LOCAL EXCHANGE TARIFF**

A copy of Baldwin County Internet/DSSI Service, L.L.C.'s Specialized
Common Carrier Service and Local Exchange Service Tariff is attached.

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

**SPECIALIZED COMMON CARRIER SERVICE
AND LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF ARIZONA**

Terms and Conditions, Regulations and Rates

**BALDWIN COUNTY INTERNET/
DSSI SERVICE, L.L.C.**

This tariff contains the terms and conditions, regulations, rates and charges for the provision of intrastate, intraexchange and interexchange, common carrier and local exchange communications services by Baldwin County Internet/DSSI Service, L.L.C. within the State of Arizona.

Issued: July 30, 2007

Effective: _____

Tariff Manager
Baldwin County Internet/DSSI Service, L.L.C.
22645 Canal Road, Suite B, Orange Beach, AL 36561

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

CHECK SHEET

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Issued: July 30, 2007

Effective: _____

Tariff Manager
Baldwin County Internet/DSSI Service, L.L.C.
22645 Canal Road, Suite B, Orange Beach, AL 36561

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

EXPLANATION OF SYMBOLS

- (C) To signify a changed listing, rule or regulation, which may affect rates or charges.
- (D) To signify deleted or discontinued material, including terms and conditions, regulations or rates.
- (I) To signify an increase in rates or charges.
- (M) To signify material moved to a different location with no change in text or rate
- (N) To signify new material, including terms and conditions, regulations or rates.
- (R) To signify a reduction in rates or charges.
- (S) To signify reissued material.
- (T) To signify a change in wording or text, with no change in terms and conditions, regulations or rates and charges.
- (Z) To signify a typographical correction.

CONCURRING CARRIERS

None

CONNECTING CARRIERS

None

OTHER PARTICIPATING CARRIERS

None

Issued: July 30, 2007

Effective: _____

Tariff Manager
Baldwin County Internet/DSSI Service, L.L.C.
22645 Canal Road, Suite B, Orange Beach, AL 36561

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

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Issued: July 30, 2007

Effective: _____

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SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

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SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 1 – APPLICATION OF THE TARIFF

1. Application of the Tariff

This tariff contains the terms and conditions, regulations, services and rates applying to intrastate intraexchange/local and interexchange common carrier communications services provided by Baldwin County Internet/DSSI Service, L.L.C. ("BCI" or the "Company") between and among various points within the State of Arizona.

1.1 Service Area

The Company's service area is the State of Arizona. It provides carrier transport services to customers between/among two or more points designated by its customers, using the public rights-of-way (ROW). The Company does not endeavor to provide service inclusively to the entire state, only selected local and interexchange transport routes as determined by its customers.

1.2 Provision of Service

The Company provides all lawful services as ordered by its customers. These are primarily carrier-to-carrier high speed data circuits at any bandwidth or speed requested by the customer. This service is furnished subject to the terms and conditions, regulations and rates in this tariff.

The Company does not provide the content carried on its service. Nor does it provide basic exchange service, or all the services associated with basic exchange service. This is provided by its customers who provide service to end-user customers and who are responsible for ensuring that all statutes and rules of the State of Arizona are followed with respect to basic exchange service.

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 2 – DEFINITIONS

- 2.1 Access Lines: A telephone facility which permits access to and from both the Customer's premises and the telephone exchange or serving central office.
- 2.2 Agent: A business representative authorized by the Company, whose function is to bring about, modify, affect, accept performance of, or terminate contractual obligations between the Company and its applicants or Customers.
- 2.3 Authorized User: A person, firm or corporation which is authorized by the Company to be connected to the service of the customer or joint user.
- 2.4 Central Office/Wire Center: Facilities where subscribers' lines are joined to switching equipment for connecting other subscribers to each other, locally and long distance.
- 2.5 Channel: A communications path between two or more points of termination, having a bandwidth and termination of the customer's choosing.
- 2.6 Customer Agreement: The mutual agreement between the Company and the customer for the provision of the Company's service.
- 2.7 Customer Designated Premises: The premises specified by the Customer for termination of Access Services.
- 2.8 Customer Point of Presence: The physical location associated with the customer's communication system.
- 2.9 Customer or Subscriber: The person, firm or corporation which orders service and is responsible for the payment of charges and compliance with the Company's regulations.
- 2.10 Facilities: Denotes any cables, poles, conduit, carrier equipment, wire center distribution frames, central office switching equipment, etc., utilized to provide the service offered under this tariff.

Issued: July 30, 2007

Effective: _____

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SECTION 2 – DEFINITIONS (Cont)

- 2.11. Fiber Optic Cable: A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple internal reflections to a receiver, which translates the message.
- 2.12. ICB or Individual Case Basis: Services whose nature precludes a set price are priced individually based on the service (speed, distance and construction costs) requested.
- 2.13. Intrastate Communications: Any communications which originates and terminates within the same state.
- 2.14. kbps: Kilobits per second, denotes thousands of bits per second.
- 2.15. LATA: A Local Access and Transportation Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4.
- 2.16. Mbps: Megabits, denotes millions of bits per second.
- 2.17. Point of Presence: The physical location of an interexchange carrier's facilities.
- 2.18. Point of Interconnection (POI): The point of demarcation between the Company's facilities or equipment and another carrier or communications company's facilities or equipment.
- 2.19. Point of Termination (POT): The point of demarcation within a customer-designated premises at which the Company's responsibility for the provision of service ends. The point of demarcation is the point of interconnection between Company communications facilities and customer-provided facilities as defined in Part 68 of the Federal Communications Commission's Rules and Regulations.
- 2.20. Premises: The physical space designated by the Customer for the termination of the Company's service.
- 2.21. Recurring Charges: The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

Issued: July 30, 2007

Effective: _____

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SECTION 2 – DEFINITIONS (Cont)

- 2.22 Service Commencement Date: The first day following the date on which the Company notifies the customer that the requested service or facility is available for use, unless extended by the customer's refusal to accept service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the customer's acceptance. The Company and customer may mutually agree on a substitute Service Commencement Date.
- 2.23 User or End User: A customer or any other person authorized by a customer to use service provided under this tariff.
- 2.24 Term Agreement: A method of purchasing the Company's services whereby the customer agrees to purchase service between specific locations for a specified and mutually agreed upon length of time.
- 2.25 Transmission Path: An electrical path capable of transmitting signals within the range of the service offering. A transmission path is comprised of physical or derived facilities consisting of any form or configuration of plant used in the telecommunications industry.
- 2.26 Wire Center/Central Office: A physical location in which one or more central offices, used for the provision of exchange services, are located.

Issued: July 30, 2007

Effective: _____

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SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 3 – RULES AND REGULATIONS

3 Rules and Regulations, Terms and Conditions

3.1. Undertaking of the Company

- 3.1.1. The Company's services are furnished for communications originating and/or terminating in any area within the State of Arizona.
- 3.1.2. The Company offers resold and facilities-based communications services to customers for the direct transmission and reception of voice, data, internet, video and other types of communications.
- 3.1.3. The Company's services are provided on a monthly basis unless otherwise provided, and are available twenty-four (24) hours per day, seven (7) days per week.
- 3.1.4. Request for service under this Tariff will authorize the Company to conduct a credit search on the customer. The Company reserves the right to refuse service on the basis of credit history, and to refuse further service due to late payment or nonpayment by the Customer.

3.2 Scope

- 3.2.1 The Company undertakes to furnish communications service pursuant to the terms of this tariff in connection with one-way and/or two-way data and information transmission between points within the State of Arizona.
- 3.2.2 The services offered herein may be used for any lawful purpose. There are no restrictions on sharing or resale of the Company's services. However, the customer remains liable for all obligations under this tariff even if such sharing or resale arrangements exist regardless of the Company's knowledge of these arrangements. If service is jointly ordered by more than one customer, each is jointly and severally liable for all obligations.
- 3.2.3 The services the Company offers shall not be used for any unlawful purposes or for any use as to which the customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

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SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.2 Scope (Cont)

3.2.4 Company services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of any tariffs of such other communications carriers.

3.2.5 The Company may require a customer to immediately shut down its transmission of signals if said transmission is causing interference to others.

3.3 Limitations on Service

3.3.1 The furnishing of service under this tariff is subject to the availability on a continuing basis of all facilities necessary to provide the service. Services will be provided using the Company's fiber optic and other facilities as well as facilities the Company may obtain from other carriers.

3.3.2 The Company reserves the right to limit or to allocate the use of its existing and future facilities when necessary because of a lack of facilities or due to any cause beyond the Company's control, including, but not limited to "force majeure."

3.3.3 The Company may decline applications for service to or from a location where the necessary facilities or equipment are not available. The Company may discontinue furnishing service in accordance with the terms of this tariff.

3.3.4 The Company reserves the right to discontinue or limit service when necessitated by conditions beyond its control or when service is used in violation of provisions of this tariff or the law.

Issued: July 30, 2007

Effective: _____

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SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.3 Limitations on Service (Cont)

3.3.5 The Company does not undertake to transmit messages, but offers the use of its service, when available, and shall not be liable for errors in transmission or for failure to establish connections.

3.3.6 The Company reserves the right to discontinue service, limit service, or to impose requirements as required to meet changing regulatory or statutory rules and standards, or when such rules and standards have an adverse material affect on the business or economic feasibility of providing service, as determined by the Company in its reasonable judgment.

3.4 Liability of the Company

3.4.1 The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, outages, omissions, interruptions, delays, errors, or other defects, representations, failures arising out of the use of these services or failure to furnish service, whether caused by act, omission or negligence, shall be limited to extension of allowances as set forth in the section of this tariff on Credit Allowance for Interruptions in service. The extension of such allowances for interruption shall be the sole remedy of the customer or other person, and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to the customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.

3.4.2 The Company shall not be liable for any act, omission or defect of any entity furnishing to the Company or to the customer services, facilities or equipment used for or with the Company's services; or for the acts or omissions of common carriers or warehousemen.

Issued: July 30, 2007

Effective: _____

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SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.4 Liability of the Company (Cont)

3.4.3 With respect to any service or facility provided by the Company, the customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, for:

- A. any loss, destruction or damage to property of the customer or any third party, or the death or injury of any person, to the extent caused by or resulting from the negligent or intentional act or omission of the customer, its employees, agents, representatives or invites; and
- B. any damages or losses due to the fault or negligence of the customer or due to the failure of malfunction of customer-provided equipment or facilities.

3.4.4 The Company shall not be liable for any delay or failure of performance of equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes (“force majeure”); any law, order, regulation, direction, action or request of the United States government, or of any other government, including state and local agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lockout, work stoppages, or other labor difficulties.

3.4.5 The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The customer indemnifies and holds the Company harmless from any liability whatsoever, and for any damages caused or claimed to have been caused in any way, directly or indirectly, as a result of any such installation.

Issued: July 30, 2007

Effective: _____

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SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.4 Liability of the Company (Cont)

- 3.4.6 The Company is not liable for any defacement of or damage to customer's premises resulting from the furnishing of services or equipment or the installation or removal thereof, unless such defacement or damage is caused by the willful misconduct of the Company's employees or agents.
- 3.4.7 The Company shall be indemnified, defended and held harmless by the customer against any claim, loss, expense, damage or liability arising from customer's use of services involving claims for libel, slander, invasion of privacy, or infringement of copyright, patent, trade secret, or proprietary or intellectual property right of any third party arising from any act or omission by the customer, including without limitation, the customer's own communications or use of the Company's services and facilities in a manner not contemplated by this tariff or any agreement between the customer and the Company.
- 3.4.8 The Company's entire liability, if any, for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid the Company by the customer for the specific services giving rise to the claim. No action or proceeding against the Company shall be commenced more than one year after the service is rendered.
- 3.4.9 With respect to the furnishing of Company's services to public safety answering points or municipal emergency service providers, the Company's liability, if any, will be limited to the lesser of:
- A. the actual monetary damages incurred and proved by the customer as the direct result of the Company's action, or failure to act, in providing the service; or
 - B. the sum of \$1,000.00.

Issued: July 30, 2007

Effective: _____

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SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.4 Liability of the Company (Cont)

3.4.11 In the event parties other than the customer, including but not limited to joint users and the customer's customers, shall have use of the Company's service directly or indirectly through the customer, then the customer agrees to forever indemnify and hold the Company harmless from and against any and all such claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to the Company's furnishing of service.

3.4.12 THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESSED OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

Issued: July 30, 2007

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SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.5 Equipment and Facilities

3.5.1 Ownership

The equipment, facilities and services of the Company are furnished for the transmission of data, information, video, and internet communications by its customers. Ownership of the Company's equipment and facilities is retained by the Company during the use of its equipment, facilities and services by customers.

3.5.2 Shortage of Equipment or Facilities

The Company reserves the right to limit or to allocate the use of its existing and future facilities when necessary because of a lack of facilities or due to any cause beyond the Company's control. The furnishing of service under this Tariff is subject to the availability on a continuing basis of all facilities necessary to provide the service. Service will be provided using the Company's fiber optic and other facilities as well as facilities the Company may obtain from other carriers

3.5.3 Selection of Equipment or Facilities

The Company provides service to customers that utilize the equipment and facilities owned or leased by the Company in the best possible manner to provide the service ordered by the customer. The Company will use its own judgment in determining the equipment and facilities, and the source of such equipment and facilities, to be used so long as the functionality is not compromised.

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.5 Equipment and Facilities (Cont)

3.5.4 Customer Equipment

The Company will not be responsible for the installation, operation or maintenance of any customer-provided communications equipment. Where customer-provisioned equipment is connected to the facilities furnished under this Tariff, the responsibility of the Company will be limited to the furnishing of facilities offered by this Tariff. Beyond this responsibility, the Company will not be responsible for:

- A. the transmission of signals by customer-provided equipment or for the quality of, or defects in, such transmission; or
- B. the reception of signals by customer-provided equipment; or
- C. network control signaling when performed by customer-provided network control signaling equipment.

3.5.5 Installation outside Normal Work Periods

At the request of the Customer, installation or maintenance may be performed outside of the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material or other costs incurred by or charged by the Company will apply. If installation or maintenance is started during regular business hours, but, at the customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays and/or night hours, additional charges may apply.

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.5 Equipment and Facilities (Cont)

3.5.6 Interconnection of Facilities

Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing communications services and the channels, facilities, or equipment of others shall be provided at the customer's expense.

Communications services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.

Facilities furnished under this tariff may be connected to customer-provided terminal equipment in accordance with the provisions of this tariff. All such terminal equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations; and all user-provided wiring shall be installed and maintained in compliance with those regulations.

3.5.7 Inspections

Upon suitable notification to the customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the customer is complying with the requirements set forth herein for the installation, operation, and maintenance of customer-provided facilities, equipment, and wiring in the connection of customer-provided facilities and equipment to Company-owned facilities and equipment.

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.5 Equipment and Facilities (Cont)

3.5.7 Inspections (Cont)

If the protective requirements for customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the customer must take this corrective action and notify the Company of the action taken. If the customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

3.5.8 Rights-of-Way (ROWS)

Provisioning of the Company's services is subject to and contingent upon the Company's ability to obtain and maintain rights-of-way and access to private property necessary for installation of the facilities used to provide the Company's services to the customer's service point as agreed to by the Company.

3.6 Customer Responsibilities

3.6.1 Legal Use

The customer is responsible for complying with all state and federal laws and regulations and with all rules and regulations, terms and conditions contained in this tariff.

3.6.2 Payment for Services

The customer is responsible for the payment of all charges for services furnished to the customer and for all additional charges for calls the customer elects to continue making after service is terminated for any reason.

Issued: July 30, 2007

Effective: _____

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SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.6 Customer Responsibilities

3.6.3 Accommodation of Company Equipment

The customer shall provide at no charge, as specified by the Company, any personnel, equipment, space, power, heating and air conditioning needed to operate, and maintain a proper operating environment for the Company's facilities and equipment installed on the customer's premises

The customer shall be responsible for any damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the customer.

3.6.4 Fraudulent Use

The fraudulent use of, or the intended or attempted fraudulent use of service is prohibited. Fraudulent use consists of using or attempting to use service with the intent to avoid the payment, either in whole or in part, of the tariffed charges for the service.

3.6.5 Prohibited Uses

The customer shall not use or allow the use of the Company's facilities or equipment installed at the Customer's premises for any purpose other than that for which the Company provides it, without the prior written consent of the Company.

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.7 Interruption of Service

3.7.1 Credit Allowance for Interruptions

Credit allowance for interruptions of service which are not due to Company's testing or adjusting, to the negligence of the customer, or to the failure of channels, equipment and/or communications equipment provided by the customer, are subject to the general liability provisions set forth in this Tariff. It is the obligation of the customer to notify the Company of any interruptions of service. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission of the customer, and not within the customer's control.

3.7.2 Calculation of Credit

For purposes of credit computation for service, every month shall be considered to have 720 hours. No credit shall be allowed for an interruption of a continuous duration of less than two hours.

The subscriber shall be credited for an interruption of two hours or more at the rate of $1/720^{\text{th}}$ of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

Credit formula: $\text{Credit} = (A/720) \times B$

A – outage time in hours

B – total monthly charge for affected service

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.7 Interruption of Service (Cont)

3.7.3 Notification of Service-Affecting Activities

The Company will provide the customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventive maintenance. Generally, such activities are not specific to an individual customer but affect many customers' service. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as outage resulting from cable damage, notification to the customer may not be possible.

3.8 Restoration of Service

- 3.8.1. The use and restoration of service in emergencies shall be in accordance with part 64, Subpart D of the Federal Communications Commission's Rules and Regulations on file with the Commission, which specifies the priority system for such activities.
- 3.8.2. When a Customer's service has been disconnected in accordance with this Tariff and the service has been terminated through the completion of a Company service order, service will be restored only upon the basis of application for new service.

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.9 Minimum Service Period

3.9.1. The minimum service period is one month (30 days). The customer must pay the regular listed rate for the service they subscribe to for the minimum period of service. If a customer disconnects service before the end of the minimum service period, that customer is responsible for paying the regular rates for the remainder of the minimum service period. When the service is moved within the same building, to another building on the same premises, or to a different premises entirely, the period of service at each location is accumulated to calculate if the customer has met the minimum period of service obligation.

3.9.2. If service is terminated before the end of the minimum period of service as a result of condemnation of property, damage to property requiring the premises to be abandoned, or by the death of the customer, the customer is not obligated to pay for service for the remainder of the minimum period.

3.9.3. If service is switched over to a new customer at the same premises after the first month's service, the minimum period of service requirements are assigned to the new customer if the new customer agrees in writing to accept them. For facilities not taken over by the new customer, the original customer is responsible for the remaining payment for the minimum service period in accordance with the terms under which the service was originally furnished

3.10 Access to Customer's Premises

The customer shall be responsible for making arrangements or obtaining permission for safe and reasonable access for Company employees or agents of the Company to enter the premises of the customer or any joint user of the customer at any reasonable hour for the purpose of inspecting, repairing, testing or removing any part of the Company's facilities.

Issued: July 30, 2007

Effective: _____

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SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.11 Payments and Billing

3.11.1 General

Charges for service are applied on a recurring basis. Service is provided and billed on a monthly (30 day) basis. The billing date is dependent on the billing cycle assigned to the customer. Service continues to be provided until cancelled by the customer, which must be done on not less than thirty (30) days' notice.

3.11.2 Billing in Advance or Arrears

The Customer is responsible for the payment of all charges for services furnished to the customer. Recurring monthly charges are billed in advance of the month of service and usage charges (if any) are based on actual usage, and are billed monthly in arrears.

3.11.3 Due Date

Billing is payable upon receipt and past due thirty (30) days after issuance and posting of invoice. Bills not paid within thirty-one (31) days after the date of posting are subject to a late payment charge for the unpaid balance.

3.11.4 Late Payment Charge

A Late Payment Charge of 1.50 percent (1 1/2%) will apply to each customer bill when the previous month's bill has not been paid in full, leaving an unpaid balance carried forward. The late payment charge is applied to the total unpaid amount carried forward and is included in the total amount due on the current month's bill. The amount of the late payment penalty shall be indicated on the customer's bill.

3.11.5 Returned Check Charge

A \$25.00 service charge shall be imposed for any payment for which a draft is returned for insufficient funds.

Issued: July 30, 2007

Effective: _____

Tariff Manager
Baldwin County Internet/DSSI Service, L.L.C.
22645 Canal Road, Suite B, Orange Beach, AL 36561

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.11 Payments and Billing (Cont)

3.11.6 Billing Disputes

Billing disputes should be addressed to Company's Customer Service organization via a toll-free telephone number. Customer service representatives are available from 9:00 a.m. to 6:00 p.m. Eastern Standard Time. Messages may be left for Customer Services from 6:00 p.m. to 7:59 a.m. Eastern Standard Time, which will be answered on the next business day, unless in the event of an emergency which threatens customer service.

In the case of a dispute between the customer and the Company for service furnished to the customer, which cannot be settled with mutual satisfaction, the customer can take the following course of action:

- A. First, the customer may request, and the Company will perform, an in-depth review of the disputed amount. The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnection.
- B. Second, if there is still disagreement over the disputed amount after the investigation and review by a manager of the Company, the customer may appeal to the Arizona Corporation Commission for its investigation and decision.

3.11.7 Deposits and Advance Payments

The Company does not require deposits or advance payments under normal circumstances.

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.12 Cancellation by Customer

3.12.1. The customer may cancel service by providing written notice to the Company thirty (30) days prior to cancellation.

3.12.2. The customer is responsible for usage charges while still connected to the Company's service and the payment of associated local exchange company charges, if any, for service charges.

3.12.3. Any non-recoverable cost of Company expenditures shall be borne by the customer if:

- A. The customer orders service requiring special facilities dedicated to the customer's use and then cancels the order before such service begins, before completion of the minimum period or before completion of some the period mutually agreed with the customer for the non-recoverable portion of expenditures; or
- B. Liabilities are incurred expressly on behalf of the customer by the Company and are not fully reimbursed by installation and monthly charges; and
- C. If based on an order for service and construction, has either begun or has been completed, but no service provided.

Issued: July 30, 2007

Effective: _____

Tariff Manager
Baldwin County Internet/DSSI Service, L.L.C.
22645 Canal Road, Suite B, Orange Beach, AL 36561

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.13 Cancellation by Company

3.13.1 Immediate Discontinuance without Liability

Company reserves the right to immediately discontinue furnishing the service to customers without incurring liability:

- A. In the event of a condition determined to be hazardous to the customer, to other customers of the Company, to the Company's equipment, the public or to employees of the Company; or
- B. By reason of any order or decision of a court or any other governmental authority which prohibits the Company from furnishing such service; or
- C. If the Company deems such refusal necessary to protect itself or third parties against fraud or to otherwise protect its personnel, agents, facilities or services without notice; or
- D. For unlawful use of the service or use of the service for unlawful purposes; or
- E. If the customer provides false information to the Company regarding the customer's identity, address, credit-worthiness, past, current or planned use of Company's services.

Issued: July 30, 2007

Effective: _____

Tariff Manager
Baldwin County Internet/DSSI Service, L.L.C.
22645 Canal Road, Suite B, Orange Beach, AL 36561

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.13 Cancellation by Company

3.13.2 Discontinuance with Notice

Company may discontinue service according to the following conditions upon ten (10) days' written notice:

- A. For violation of Company's filed prices or Tariff rates; or
- B. For the non-payment of any proper charge as provided by Company's Tariff; or
- C. For Customer's breach of the contract for service between the Company and customer; or
- D. When necessary for the Company to comply with any order or request of any governmental authority having jurisdiction.

3.13.3 Prohibited, Unlawful or Improper Use

Prohibited, unlawful or improper use of the facilities or service includes, but is not limited to:

- A. The use of facilities or service of the Company without payment of Tariff charges;
- B. Calling or permitting others to call another person or persons so frequently or at such times of the day or in such manner as to harass, frighten, abuse or torment such other person or persons;
- C. The use of profane or obscene language;
- D. The use of the service in such a manner such that it interferes with the service of other customers or prevents them from making or receiving calls;

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.13 Cancellation by Company (Cont)

3.13.4 Continued Obligation to Pay for Service

The discontinuance of service(s) by the Company pursuant to this section does not relieve the customer of any obligations to pay the Company for charges due and owing for service(s) furnished up to the time of discontinuance. The remedies available to the Company set forth herein shall not be exclusive and the Company shall at all times be entitled to all the rights available to it under law or equity.

3.14 Interconnection

3.15.1 The customer shall secure all licenses, permits, rights-of-way and other arrangements necessary for interconnection with the Company. In addition, the customer shall ensure that its equipment and/or system or that of its agent is properly interfaced with the Company's service and the signals emitted into the Company's network are of the proper mode, band-width, power, data speed and signal level for the intended use of the customer. If the customer or its agent fails to properly maintain and operate its equipment and/or system of that of its agent, the Company may, upon written request, require the use of protective equipment at the customer's expense.

3.15.2 Service furnished by Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Company. Any special interface of equipment or facilities necessary to achieve compatibility between the facilities of Company and other participating carriers shall be provided at the customer's expense.

3.15.3 Interconnection between the facilities or services of other carriers shall be under the applicable terms and conditions of the other carriers' tariffs. The customer is responsible for taking all necessary legal steps for interconnecting customer-provided terminal equipment or communications equipment with the Company's facilities. The customer shall secure all licenses, permits, rights-of-way, and other such arrangements necessary for interconnection.

Issued: July 30, 2007

Effective: _____

Tariff Manager
Baldwin County Internet/DSSI Service, L.L.C.
22645 Canal Road, Suite B, Orange Beach, AL 36561

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 3 – RULES AND REGULATIONS (Cont)

3 Rules and Regulations, Terms and Conditions (Cont)

3.15 Full Force and Effect

Should any provision or portion of this Tariff be held by a court or administrative agency of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions of this Tariff will remain in full force and effect.

3.16 Credit Limit

The Company may, at any time and at its sole discretion, set a credit limit for any customer's consumption of services for any monthly period.

Issued: July 30, 2007

Effective: _____

Tariff Manager
Baldwin County Internet/DSSI Service, L.L.C.
22645 Canal Road, Suite B, Orange Beach, AL 36561

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 4 – SERVICES AND PRODUCTS

4 Services and Products

- 4.1 The Company provides point-to-point, optical fiber transport services over public rights-of-way (ROWs) to customers. These are transport circuits that carry data, internet and video services. The Company owns or leases high-bandwidth/high-speed circuits and provides the transport services to other carriers, cable television operators, and data communications companies.
- 4.2 It provides intrastate, interexchange and intraexchange data transport between 2 or more points within the state of Nevada using the public rights-of-way (ROWs) through this Tariff, and utilizes the most economical mix of owned and leased facilities.
- 4.3 The following high capacity carrier transport services are available upon request by customers. The time required to provide the service will vary with the complexity of the service.
 - 4.3.1 DS0 – a digital service with line speeds of up to 64 kbps.
 - 4.3.2 DS1/T1 – high capacity digital line with speed of 1.544 Mbps. DS1 has the equivalent of 24 voice grade or DS0 services.
 - 4.3.3 DS3 – high capacity digital line with speed of 44.736 Mbps. DS3 has the equivalent of 28 DS1 services.
 - 4.3.4 OC-3 – Channel for synchronous optical transmission at a rate of 155.53 Mbps (equivalent to 3 DS3 services)
 - 4.3.5 Other speeds to meet customer demand can be provided with adequate lead time: OC-12 (622.08 Mbps; equivalent to 12 DS3 services), OC-48 (2.4 Gbps; equivalent to 48 DS3 services), and other transport services.
- 4.4 Other switched and non-switched services as requested by customers.

Issued: July 30, 2007

Effective: _____

Tariff Manager
Baldwin County Internet/DSSI Service, L.L.C.
22645 Canal Road, Suite B, Orange Beach, AL 36561

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 4 – SERVICES AND PRODUCTS

4 Services and Products

- 4.5 Baldwin County Internet/DSSI Service, L.L.C. provides intermediate data transport service to other companies and carriers (PCOs (private cable operators), ILECs/CLECs (incumbent and competitive local exchange carriers), wireless carriers, etc.). As such it is not in the business of providing content, and is not a provider of services or content to end users. It is not a provider of basic telephone service.

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 5 – RATES AND CHARGES

5 Rates and Charges

- 5.1 Due to the complex and variable nature of the services it provides, all products and services are priced as ICBs, or on an Individual Case Basis. The Company will work with its customers to provide the service requested at a mutually agreeable rate.

Issued: July 30, 2007

Effective: _____

Tariff Manager
Baldwin County Internet/DSSI Service, L.L.C.
22645 Canal Road, Suite B, Orange Beach, AL 36561

Application for Certificate of Convenience & Necessity
Baldwin County Internet/DSSI Service, L.L.C.

Attachment C

**PUBLIC NOTICE OF
BALDWIN COUNTY INTERNET/DSSI SERVICE, L.L.C.'S
APPLICATION FOR A CERTIFICATE AS AN ARIZONA CLEC**

A copy of Baldwin County Internet/DSSI Service, L.L.C.'s
Public Notice and Certification of Publication
will be provided when available or upon instruction
of the Hearings Division

**FINANCIAL REPORTS OF
BALDWIN COUNTY INTERNET/DSSI SERVICE, L.L.C.**

Attachment D contains

1. Baldwin County Internet/DSSI Service, L.L.C. balance sheet for 2005 and 2006
2. Baldwin County Internet/DSSI Service, L.L.C. income statement for 2005 and 2006
(note that depreciation for 2006 is an estimated amount; the final amount will be available by August 31, 2007)
3. The Company is privately held and is not required to have annual audits; no audit reports are available.
4. Retained earnings are included in the Company's balance sheet
5. The Company is privately held and does not file SEC documents; no related notes to financial statements are available.

BALDWIN COUNTY INTERNET/DSSI SERVICE, LLC
Financial Statements
December 31, 2006

ASSETS

Current Assets

Cash	\$	10,868
Accounts and note receivable		496,522
Inventory		-
Prepaid expenses		-
Refundable deposit		14,400
Advances to employees		1,100
Total current assets		<u>522,890</u>

Fixed Assets

Cable, Software and Head End equipment		4,494,999
		<u>4,494,999</u>
Less accumulated depreciation		<u>(2,587,251)</u>
		1,907,748

Other assets

Investment in SMARTRESORT CO., LLC		(1,216,554)
Intercompany loans		4,169,692
Goodwill - net of amortization		82,286
Other intangibles - net of amortization		<u>7,084</u>
		3,042,508

TOTAL ASSETS	\$	<u><u>5,473,146</u></u>
--------------	----	-------------------------

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Notes payable:

Bank, Line of Credit	\$	5,036,936
Accounts payable		662,921
Payroll liabilities		156
Accrued expenses		<u>7,762</u>

Total current liabilities		5,707,775
---------------------------	--	-----------

Note payable, equipment

Notes payable, stockholders		<u>1,212,500</u>
-----------------------------	--	------------------

Total liabilities		6,920,275
-------------------	--	-----------

Equity

Members equity		4,904,370
Retained Earnings (Deficit)		(5,104,687)
Net Income		(1,246,812)
Total Equity		<u>(1,447,129)</u>

TOTAL LIABILITIES & EQUITY	\$	<u><u>5,473,146</u></u>
----------------------------	----	-------------------------

BALDWIN COUNTY INTERNET / DSSI SERVICE, LLC

Financial Statements

December 31, 2005

ASSETS

Current Assets

Cash	\$	23,205
Accounts and note receivable		473,734
Inventory		10,419
Prepaid expenses		11,255
Advances to employees		7,180
Total current assets		<u>533,793</u>

Fixed Assets

Cable, Software and Head End equipment		3,617,765
Transportation equipment		67,015
Office equipment		73,683
		<u>3,758,463</u>
Less accumulated depreciation		<u>(1,802,399)</u>
		1,956,064

Other assets:

Investment in SMARTRESORT CO., LLC		(1,216,554)
Due from SMARTRESORT CO., LLC		2,956,460
Goodwill - net of amortization		89,768
Other intangibles - net of amortization		8,384
		<u>1,838,058</u>

TOTAL ASSETS	\$	<u><u>4,328,116</u></u>
--------------	----	-------------------------

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Notes payable		
Bank, Line of Credit	\$	7,566,311
Equipment		4,133
Accounts payable		545,923
Accrued expenses		20,346
Total current liabilities		<u>8,565,713</u>

Note payable, equipment		37,604
Notes payable, Jackie Wireman		1,050,000
Notes payable, stockholders		1,665,000
Total liabilities		<u>11,322,317</u>

Equity

Members equity (deficit)		(6,994,201)
--------------------------	--	-------------

TOTAL LIABILITIES & EQUITY	\$	<u><u>4,328,116</u></u>
----------------------------	----	-------------------------

BALDWIN COUNTY INTERNET/DSSI SERVICE, LLC
Financial Statements
January 1, 2006 - December 31, 2006

Sales	\$	525,088
Cost of sales		<u>398,572</u>
Gross profit		126,516
Administrative expenses		<u>235,548</u>
		(109,032)
Other expenses (income):		
Other		
*Depreciation		714,199
Amortization		8,780
Interest		414,800
Other expense		<u>-</u>
Net profit (loss)	\$	(1,246,811)

*Depreciation is estimated

BALDWIN COUNTY INTERNET / DSSI SERVICE, LLC

Financial Statements

December 31, 2005

Sales	\$	455,900
Cost of sales		<u>500,510</u>
Gross profit		(64,610)
Administrative expenses		<u>455,050</u>
		(552,670)
Other expenses (income)		
Other		(14,156)
Depreciation		272,945
Amortization		1,300
Interest		634,955
Other expense		7,570
Net loss	\$	<u><u>(1,455,325)</u></u>

Application for Certificate of Convenience & Necessity
Baldwin County Internet/DSSI Service, L.L.C.

Attachment E

**BALDWIN COUNTY INTERNET/DSSI SERVICE, L.L.C.'S
PROPOSED AREA OF OPERATIONS –
THE ENTIRE STATE OF ARIZONA**

Attached is a copy of the Commission's Arizona map as the proposed operational area of Baldwin County Internet/DSSI Service, L.L.C.

Exh A2

August 29, 2007

Via Overnight Delivery

Docket No. **T-20544A-07-0456**

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927


RE: Application of Baldwin County Internet/DSSI Service, L.L.C. for a Certificate of Convenience and Necessity to Operate as a Competitive Local Exchange Carrier throughout the State of Arizona, Docket No. T-20544A-07-0456

On August 1, 2007, Baldwin County Internet/DSSI Service, L.L.C. filed for a Certificate of Convenience and Necessity to operate as a Competitive Local Exchange Carrier throughout the State of Arizona. The Application was assigned Docket No. T-20544A-07-0456.

Based on discussions with Staff, pages 30 and 32 need to be removed from the tariff which was included in Attachment B to the Application and discarded. They should be replaced with the two attached replacement pages 30 and 32. The Company is enclosing an original and thirteen (13) copies of the change pages, as required by Commission rules.

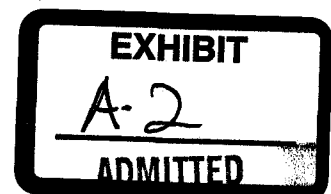
Any questions regarding this filing may be directed to my attention at 214-762-7576, email at mike.giles@att.net, or physical address, 6601 County Rd 166, McKinney, TX 75071-7309. Thank you for your assistance in this matter.

Sincerely,



Michael N. Giles
Huron Consulting Group
Consultant for
Baldwin County Internet/DSSI Service, L.L.C.

Enclosures



SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 4 – SERVICES AND PRODUCTS

4 Services and Products

4.1 The Company provides point-to-point, optical fiber transport services over public rights-of-way (ROWs) to customers. These are transport circuits that carry data, internet and video services. The Company owns or leases high-bandwidth/high-speed circuits and provides the transport services to other carriers, cable television operators, and data communications companies.

4.2 It provides intrastate, interexchange and intraexchange data transport between 2 or more points within the state of Nevada using the public rights-of-way (ROWs) through this Tariff, and utilizes the most economical mix of owned and leased facilities.

4.3 The following high capacity carrier transport services are available upon request by customers. The time required to provide the service will vary with the complexity of the service.

4.3.1 DS0 – a digital service with line speeds of up to 64 kbps.

4.3.2 DS1/T1 – high capacity digital line with speed of 1.544 Mbps. DS1 has the equivalent of 24 voice grade or DS0 services.

4.3.3 DS3 – high capacity digital line with speed of 44.736 Mbps. DS3 has the equivalent of 28 DS1 services.

4.3.4 OC-3 – Channel for synchronous optical transmission at a rate of 155.53 Mbps (equivalent to 3 DS3 services)

4.3.5 Metro-Ethernet-based Transport – Transport service that is flexible and easy-to-use, based on established Ethernet transport technology in speeds/bandwidths of 10 to 1,000 Mbps

4.3.6 Other speeds to meet customer demand can be provided with adequate lead time: OC-12 (622.08 Mbps; equivalent to 12 DS3 services), OC-48 (2.4 Gbps; equivalent to 48 DS3 services), and other transport services.

4.4 Other switched and non-switched services as requested by customers.

SPECIALIZED COMMON CARRIER AND LOCAL EXCHANGE SERVICE

SECTION 5 – RATES AND CHARGES

5 Rates and Charges

5.1 Due to the complex and variable nature of the services it provides, all products and services are priced based upon standard installations. Any unusual installations or circumstances not contemplated in the rates below would result in Special Construction charges which would be established with mutual agreement from the customer, based on the cost to provide the service.

5.2 Rates for Specific Services. Note: all services are highly competitive.

	<u>Description</u>	<u>NRC (Non-recurring Charge)</u>	<u>Maximum Monthly Rate</u>
5.2.1	DS0	Not Currently Available	-----
5.2.2	Metro-Ethernet Transport, DS1/T1 and DS3	\$2,500	\$3,500 per mile
5.2.3	OC-3	Not Currently Available	-----
5.2.3	OC-12	Not Currently Available	-----
5.2.3	OC-48	Not Currently Available	-----

5.3 Other Services

Other services may be provided, depending on technical, financial, and logistical availability, based on the cost to provide the service in a competitive environment. The Company will work with its customers to provide the service requested at a mutually agreeable rate.



exh A-3

October 2, 2007
Via Overnight Delivery

Docket No. T-20544A-07-0456

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927

RE: Application of Baldwin County Internet/DSSI Service, L.L.C. for a Certificate of Convenience and Necessity to Operate as a Competitive Local Exchange Carrier throughout the State of Arizona, Docket No. T-20544A-07-0456

On August 1, 2007, Baldwin County Internet/DSSI Service, L.L.C. filed for a Certificate of Convenience and Necessity to operate as a Competitive Local Exchange Carrier throughout the State of Arizona. The Application was assigned Docket No. T-20544A-07-0456.

Based on discussions with Staff, page 1 of the Application needs to be removed and replaced by the attached amended page 1. This will change the Application to request certification for "Other -- Facilities-based and Resold Private Line Service." The Company is enclosing an original and thirteen (13) copies of the change page, as required by Commission rules.

Any questions regarding this filing may be directed to my attention at 214-762-7576, email at mike.giles@att.net, or physical address, 6601 County Rd 166, McKinney, TX 75071-7309. Thank you for your assistance in this matter.

Sincerely,

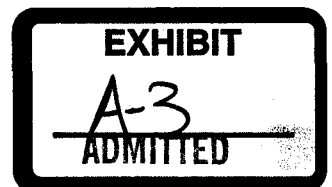
A handwritten signature in black ink, appearing to read "Michael N. Giles".

Michael N. Giles
Huron Consulting Group
Consultant for
Baldwin County Internet/DSSI Service, L.L.C.

Enclosures

6601 County Rd 166
McKinney, Texas 75071-7309
P 214-762-7576 F 972-562-7449

www.huronconsultinggroup.com



ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services**

Mail original plus 13 copies of completed application to:

For Docket Control Only:
(Please Stamp Here)

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending
in Arizona as an Interexchange reseller, AOS provider,
or as the provider of other telecommunication services.

Type of Service: _____ None _____

Docket No.: _____ Date: _____ Date Docketed: _____

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and mark the appropriate box(s).

Resold Long Distance Telecommunications Services (Answer Sections A, B).

Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).

Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).

Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)

☐ Alternative Operator Services Telecommunications Services (Answer Sections A, B)

☒ Other -- **Facilities-based and Resold Private Line Service** (Please attach complete description)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

Baldwin County Internet/DSSI Service, L.L.C.

22645 Canal Road, Suite B, Orange Beach, AL 36561

Tel 251-224-0845, Fax 251-224-0831, Email: jeffh@dssitech.com, Web: www.dssitech.com



27th A-4

October 18, 2007
Via Overnight Delivery

Docket No. T-20544A-07-0456

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927

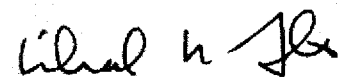
RE: Response of Baldwin County Internet/DSSI Service, L.L.C. to the Staff's First Set of Data Requests and Notice of Insufficiency

Enclosed for filing, please find an original and thirteen (13) copies of the Response of Baldwin County Internet/DSSI Service, L.L.C. to the Staff's First Set of Data Requests and Notice of Insufficiency.

In discussions with Ms. Candrea Allen, the ten-day due date which would have required filing by October 15, 2007, was extended for an additional ten days.

Any questions regarding this filing may be directed to my attention at 214-762-7576, email at mike.giles@att.net, or physical address, 6601 County Rd 166, McKinney, TX 75071-7309. Thank you for your assistance in this matter.

Sincerely,

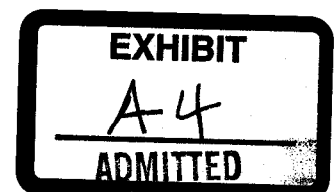

Michael N. Giles
Huron Consulting Group
Consultant for
Baldwin County Internet/DSSI Service, L.L.C.

Enclosures

Cc: Candrea Allen (Overnight Mail)

6601 County Rd 166
McKinney, Texas 75071-7309
P 214-762-7576 F 972-562-7449

www.huronconsultinggroup.com



**BALDWIN COUNTY INTERNET/DSSI SERVICE, L.L.C.'S
RESPONSE TO THE STAFF'S FIRST SET OF DATA REQUESTS
AND NOTICE OF INSUFFICIENCY
IN DOCKET NO. T-20544A-07-0456**

Q1. Please explain how your company calculated the actual maximum and actual minimum that will be contained in your tariffs for each of your services.

R1. Baldwin County Internet/DSSI Service, L.L.C. (BCI or the Company) plans to provide high-speed/bandwidth, optical fiber transport service to carry other company's data or communications traffic. The services are listed in the proposed tariff and consist physically of at least a 2-strand optical fiber loop which can be used to provide either

- (1) Metro-Optical-Ethernet-type of service,
- (2) DS1/T1, or
- (3) DS3

The maximum rate was calculated from our model in which BCI turned up 3 properties in its first year of operation, using leased services, and an additional 3 properties in the second year before moving into constructing its own facilities for further expansion. Using the model (Attachment 1) results in an average rate of \$2,425 per month per mile for BCI to become profitable in the first year of operation in Arizona. In order to cover contingencies such as easement problems, special construction, and other unusual circumstances, the maximum rate was increased 44% to \$3,500 per mile per month. This rate is consistent with competitive rates from other carriers. Please see BCI's response to Q2. for information about Qwest's rates.

The tariffs contain no minimum rates. Due to the unique nature of the transport services provided, most rates will be negotiated with the service provider or other customers and a profitable rate determined before the Company will enter into the business arrangement. BCI has no carrier-of-last-resort requirements and competes with established ILECs and other CLECs, so there are usually other options for its customers.

Q2. Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis may contain publicly available examples of rates charged by the incumbent or other carriers for similar services or any other information that you believe demonstrates that your actual rates are just and reasonable. Please include any supporting materials. For a list of telecommunications carriers certified in Arizona, go to www.cc.state.az.us/utility/telecom for a list of Commission-

approved telecommunications rates and tariffs, go to www.cc.state.az.us/utility/tariffs.

- R2. Since BCI constructs or leases an optical fiber link with multiple options available on the service level provided, it was necessary to ensure that all services offered remained profitable to the Company, as well as being competitive with other ILECS and CLECs in the state. Attachment 2 outlines the 4 alternatives which were used for comparison purposes. The end result of this comparison is summarized below:

<u>Service</u>	<u>NRC</u>	<u>Monthly Rate</u>
DS1/T1 (4)	\$1,220.00	\$1,796.00
DS3 (1)	\$588.25	\$2,321.00
Dark Fiber (4 Strands)	\$239.07	\$1,064.00
Metro Optical Ethernet (MOE)	\$2,400.00	\$3,504.00 (average

Since, BCI expects to use the Metro Optical Ethernet service to serve its initial transport customers, the above resulted in the following maximum rates, which are reflected in the proposed tariff:

BCI MOE/DS3/DS1	\$2,500.00	\$3,500.00
-----------------	------------	------------

- Q3. Please indicate why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.**
- R3. BCI's range of rates is just and reasonable on both a fair value and a cost basis. The range of rates provided is competitive with other carriers' rates (see the response to Q2 above) and above the cost to provide the service (see the response to Q1 above). This result ensures that BCI is profitable, while providing services as a rate equal to or below that charged by the primary ILEC in Arizona – Qwest.

Attachment 1

Baldwin County Internet/DSSI Service, L.L.C.

ASSUMPTIONS

Depreciation	40	yrs
Interest Rate	12%	
Loan Period	60	mths

Expenses		Revenues
1st Yr NRC Rate	Total	\$1,518.70
Mthly Svc Rate	Total	2,425.00
Cap Const. Cost	/ Mile	50,000.00
Mthly Facil Cost	\$1,725.00	
Maintenance	10%	
SB Admin	20%	
1st Yr NRC Cost	\$1,518.70	
Property	Month	Mile (s)
Property 1	1	1
Property 2	6	1
Property 3	6	1
Property 4	18	1
Property 5	21	1
Property 6	24	1
Property 7	27	2
Property 8	30	2
Property 9	33	2
Property 10	36	2
Property 11	39	2
Property 12	42	2

YEARS

	1	2	3
Revenue	67,606.10	120,956.10	293,449.60
Property 1	30,618.70	29,100.00	29,100.00
Property 2	18,493.70	29,100.00	29,100.00
Property 3	18,493.70	29,100.00	29,100.00
Property 4	-	18,493.70	29,100.00
Property 5	-	11,218.70	29,100.00
Property 6	-	3,943.70	29,100.00
Property 7	-	-	51,537.40
Property 8	-	-	36,987.40
Property 9	-	-	22,437.40
Property 10	-	-	7,887.40
Property 11	-	-	-
Property 12	-	-	-
Maintenance	(6,760.61)	(12,095.61)	(29,344.96)
SB Admin	(13,521.22)	(24,191.22)	(58,689.92)
Other Expenses	-	-	-
Interest Expense	-	-	(48,312.47)
Facilities Cost	(41,400.00)	(79,350.00)	-
Depreciation	-	-	(12,083.33)
1st Yr NRC costs	(4,556.10)	(4,556.10)	6,074.80
NET	1,368.17	763.17	145,018.92
Acc Depreciation	-	7,708.33	19,791.67
Book Value	-	300,000.00	687,916.67
Construction Cost	-	150,000.00	400,000.00
Total Construction	-	150,000.00	550,000.00

5/31/2007

Prepared by: Kelly Phillips

C:\Telecommunications\Connexion\CLEC\AZ - CLEC\AZ CLEC Applica Pkg BCL\AZ Cost Model 07 30 07.xls

Transport Facilities Installation and Rate/Cost Analysis

Attachment 2

Arizona - Qwest	No.	NRC Each	NRC Total	Mo Rte Each	Total Mo Rate
For DS1 (1.536 Mbps)					
Source: Qwest Tariff FCC No. 1, pages 7-346 -- 7-360 (pages used are attached)					
Channel Termination NRC	1	\$305.00	\$305.00		
Channel Termination Mo Rate	1			\$120.00	\$120.00
Transport Channel					
Fixed Rate (Channel Mileage Termination)	1			\$70.00	\$70.00
Variable Rate (Channel Mileage Facility) - per mile	1			\$9.00	\$9.00
Central Office Multiplexing	1	\$75.00	\$75.00	\$250.00	\$250.00
Total Per DS1 Circuit	1		\$305.00		\$449.00
Order 4 DS1s for the route	4		\$1,220.00		\$1,796.00
Annualized Rate					\$21,552.00
For DS3 (44.736 Mbps)					
Source: Qwest Tariff FCC No. 1, pages 7-402 -- 7-360 (pages used are attached)					
Channel Termination NRC	1	\$313.25	\$313.25		
Channel Termination Mo Rate	1			\$1,400.00	\$1,400.00
Transport Channel					
Fixed Rate (Channel Mileage Termination)	1			\$330.00	\$330.00
Variable Rate (Channel Mileage Facility) - per mile	1			\$41.00	\$41.00
Central Office Multiplexing (DS3-28DS1)	1	\$200.00	\$200.00	\$300.00	\$300.00
Central Office Multiplexing (DS1-24DS0)	1 - 28	\$75.00	\$75.00	\$250.00	\$250.00
Total Per DS3 Circuit	1		\$588.25		\$2,321.00
Order 1 DS3 for the route	1		\$588.25		\$2,321.00
Annualized Rate					\$27,852.00

Transport Facilities Installation and Rate/Cost Analysis

Attachment 2

Arizona - Qwest	No.	NRC Each	NRC Total	Mo Rate Each	Total Mo Rate
-----------------	-----	----------	-----------	--------------	---------------

For Dark Fiber (in increments of 2 optical fibers)

Source: Qwest Tariff FCC No. 1, page 18-3 (page used is attached)

Dark Fiber NRC per Order	1	\$239.07	\$239.07		
Dark Fiber (2 fibers) Mo Rate	1	per mile		\$532.00	
Dark Fiber (2 fibers) Mo Rate	1	miles		\$532.00	
Dark Fiber (4 fibers) Mo Rate	1	miles		\$1,064.00	\$1,064.00
Total per 4 Dark Fibers			\$239.07		\$1,064.00
Annualized Rate for 4 Dark Fibers					\$12,768.00

Metro Optical Ethernet (MOE)

Source: Qwest Tariff FCC No. 1, Section 10 Pages 6 - 9 (pages used are attached)

MOE Port NRC, 1,000 Mbps	1	\$2,400.00	\$2,400.00		
MOE, 40 Bandwidth, Max Mo Rate				\$3,303.00	
MOE, 50 Bandwidth, Max Mo Rate				\$3,504.00	
MOE, 60 Bandwidth, Max Mo Rate				\$3,705.00	
Total NRC			\$2,400.00		\$3,504.00
Average Monthly MOE Rate					
Annualized Rate					\$42,048.00

7. PRIVATE LINE TRANSPORT SERVICE

7.11 DS1 SERVICE (Cont'd)

7.11.4 RATES AND CHARGES

Rates and charges for Non-Plan, and Zones 1, 2 and 3 apply as set forth in 7.1.1.B.

A. Channel Termination, per point of termination

		USOC			(D)
1. 1.544 Mbps					(T)
• Monthly		TMECS			
• 12 Months		TNJBX			(N)
• 24 Months		TNJZX			(N)
• 36 Months		TUTEX			
• 60 Months		TUTFX			
		NONRECURRING CHARGE			
	NON-PLAN	ZONE 1	ZONE 2	Zone 3	
• Monthly	\$305.00	\$305.00	\$305.00	\$305.00	
• 12 Months	305.00	305.00	305.00	305.00	(N)
• 24 Months	305.00	305.00	305.00	305.00	(N)
• 36 Months	305.00	305.00	305.00	305.00	
• 60 Months	305.00	305.00	305.00	305.00	

(Filed under Transmittal No. 288.)

Issued: August 4, 2006

Effective: August 19, 2006

1801 California Street, Denver, Colorado 80202

7. PRIVATE LINE TRANSPORT SERVICE

7.11 DS1 SERVICE

7.11.4 RATES AND CHARGES

A.1. (Cont'd)

	NON-PLAN	MONTHLY RATE		ZONE 3	
		ZONE 1	ZONE 2		
• Monthly	\$120.00	\$112.30	\$120.00	\$132.25	
• 12 Months	116.40	108.95	116.40	128.30	(N)
• 24 Months	114.00	106.70	114.00	125.60	(N)
• 36 Months	110.40	102.53	110.40	122.45	
- Vintage					
5/1/95 through 6/30/03	-	105.00	-	-	
8/1/95 through 6/30/03	115.00		115.00	125.00	
• 60 Months	96.00	89.84	96.00	105.80	
- Vintage					
8/1/95 through 6/30/03	100.00	92.00	100.00	108.00	
	USOC	NONRECURRING CHARGE		MONTHLY RATE	
2. 3.152 Mbps[1]	TWT++	ICB[2]		ICB[2]	

[1] Available in MN only.

[2] ICB rates and charges are filed in 7.1.2.A.

(Filed under Transmittal No. 288.)

Issued: August 4, 2006

Effective: August 19, 2006

7. PRIVATE LINE TRANSPORT SERVICE

7.11 DS1 SERVICE

7.11.4 RATES AND CHARGES (Cont'd)

C. Transport Channels

1. 1.544 Mbps

a. Monthly

MILEAGE BAND	USOC	NON-PLAN	MONTHLY RATE		
			ZONE 1	ZONE 2	ZONE 3
• 0	1U5C1				
- Fixed		-	-	-	-
- Per Mile		-	-	-	-
• Over 0 to 8	1U5C2				
- Fixed		\$70.00	\$70.00	\$70.00	\$70.00
- Vintage					
7/3/01 through 7/1/02		80.00	80.00	80.00	80.00
- Per Mile		9.00 (R)	9.00 (R)	9.00 (R)	9.00 (R)
- Vintage					
7/3/01 through 7/1/02		11.00	11.00	11.00	11.00
7/2/02 through 6/30/03		10.01	10.01	10.01	10.01
					(N)
• Over 8 to 25	1U5C3				
- Fixed		70.00 (R)	70.00 (R)	70.00 (R)	70.00 (R)
- Vintage					
7/3/01 through 7/1/02		90.00	90.00	90.00	90.00
7/2/02 through 6/30/03		80.00	80.00	80.00	80.00
					(N)
- Per Mile		10.00 (R)	10.00 (R)	10.00 (R)	10.00 (R)
- Vintage					
7/3/01 through 7/1/02		12.00	12.00	12.00	12.00
7/2/02 through 6/30/03		10.99	10.99	10.99	10.99
					(N)

(Filed under Transmittal No. 164.)

Issued: June 16, 2003

Effective: July 1, 2003

7. PRIVATE LINE TRANSPORT SERVICE

7.11 DS1 SERVICE

7.11.4 RATES AND CHARGES

D. Optional Features and Functions (Cont'd)

	USOC	NONRECURRING CHARGE[1]	MONTHLY RATE	
2. Central Office Multiplexing, per arrangement				
• DS1 to DS1[2]	MXH++	ICB[3]	ICB[3]	
	USOC			
• DS1 to Voice				
- Monthly	MQI			
- 12 Months	MXNV1			(N)
- 24 Months	MXNV2			(N)
- 36 Months	MKB3X			
- 60 Months	MKB6X			
	NON-PLAN	NONRECURRING CHARGE[1]		
		ZONE 1	ZONE 2	ZONE 3
- Monthly	\$75.00	\$75.00	\$75.00	\$75.00
- 12 Months	75.00	75.00	75.00	75.00 (N)
- 24 Months	75.00	75.00	75.00	75.00 (N)
- 36 Months	75.00	75.00	75.00	75.00
- 60 Months	75.00	75.00	75.00	75.00

- [1] Nonrecurring charges apply when the MUX is not installed at the same time as a Channel Termination.
 [2] Available in MN only.
 [3] ICB rates and charges are filed in 7.1.1.A.

(Filed under Transmittal No. 288.)

Issued: August 4, 2006

Effective: August 19, 2006

1801 California Street, Denver, Colorado 80202

7. PRIVATE LINE TRANSPORT SERVICE

7.12 DS3 SERVICE (CONT'D)

7.12.4 RATES AND CHARGES

Rates and charges for Non-Plan and Zones 1, 2 and 3 apply as set forth in 7.1.1.B.

A. Current Offerings

1. Channel Termination, Per Point of Termination - Electrical Interface

a. Capacity of 1

• Monthly	USOC	• 36 Months	USOC
• 12 Months	THJAX	• 60 Months	THJBX
• 24 Months	HDJNX		THJCX
	HDJOX		

(C)

	NON-PLAN	NONRECURRING CHARGE		
		ZONE 1	ZONE 2	ZONE 3
• Monthly	\$313.25	\$313.25	\$313.25	\$313.25
• 12 Months	313.25	313.25	313.25	313.25
• 24 Months	313.25	313.25	313.25	313.25
• 36 Months	313.25	313.25	313.25	313.25
• 60 Months	313.25	313.25	313.25	313.25

(M)

(M) Certain material previously found on this page has been grandfathered and can now be found in Section 7.99.

(Filed under Transmittal No. 221.)

Issued: November 17, 2004

Effective: December 2, 2004

7. PRIVATE LINE TRANSPORT SERVICE

7.12 DS3 SERVICE

7.12.4 RATES AND CHARGES

A.1.a. (Cont'd)

	NON-PLAN	MONTHLY RATE			
		ZONE 1	ZONE 2	ZONE 3	
• Monthly	\$1,400.00(R)	\$1,400.00(R)	\$1,400.00(R)	\$1,400.00(R)	
- Vintage					(N)
7/1/98 through					
6/30/03	1,500.00	1,500.00	1,500.00	1,500.00	(N)
• 12 Months	1,344.00(R)	1,344.00(R)	1,344.00(R)	1,344.35(R)	
- Vintage					
7/1/98 through					
7/2/01	1,455.00	1,455.00	1,455.00	1,455.00	
7/3/01 through					
7/1/02				1,440.37	
7/2/02 through					(N)
6/30/03	1,440.00	1,440.00	1,440.00	1,440.38	(N)
• 24 Months	1,330.00(R)	1,330.00(R)	1,330.00(R)	1,330.00(R)	
- Vintage					(N)
7/1/98 through					
6/30/03	1,425.00	1,425.00	1,425.00	1,425.00	(N)
• 36 Months	1,199.34(R)	1,199.34(R)	1,199.34(R)	1,199.34(R)	
- Vintage					
7/1/98 through					
6/30/00	1,350.00	1,350.00	1,350.00	1,350.00	
7/1/00 through					(N)
6/30/03	1,285.00	1,285.00	1,285.00	1,285.00	(N)

Certain material previously found on this page can now be found on Page 7-403.1.

(Filed under Transmittal No. 164.)

Issued: June 16, 2003

Effective: July 1, 2003

1801 California Street, Denver, Colorado 80202

7. PRIVATE LINE TRANSPORT SERVICE

7.12 DS3 SERVICE

7.12.4 RATES AND CHARGES

A. Current Offerings (Cont'd)

3. Transport Channels

(T)

a. Monthly

MILEAGE BANDS	USOC	MILEAGE BANDS	USOC
0	1U5U1	Over 25 to 50	1U5U4
Over 0 to 8	1U5U2	Over 50 to 200	1U5U5
Over 8 to 25	1U5U3	Over 200	1U5U6

	NON-PLAN	NONRECURRING CHARGE[1]		
		ZONE 1	ZONE 2	ZONE 3
• Per Mileage Band, Per DS3	\$305.00	\$305.00	\$305.00	\$305.00

	MONTHLY RATE			
	NON-PLAN	ZONE 1	ZONE 2	ZONE 3
Mileage Bands, Per DS3				
• 0				
- Fixed	—	—	—	—
- Per Mile	—	—	—	—
• Over 0 to 8				
- Fixed		\$330.00	\$330.00	\$330.00
- Vintage				
7/27/94 through 6/30/03		310.00	310.00	310.00
- Per Mile		41.00	41.00	41.00
- Vintage				
7/3/01 through 7/1/02		85.00	85.00	85.00
7/2/02 through 6/30/03		80.00	80.00	80.00

[1] Nonrecurring charges apply to Transport Channels when installed without a Channel Termination. When service involves more than one Exchange Telephone Company, one half the nonrecurring charge applies.

(Filed under Transmittal No. 245.)

Issued: July 1, 2005

Effective: July 16, 2005



EXH A-5

October 26, 2007
Via Overnight Delivery

Docket No. T-20544A-07-0456


Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927

RE: Response of Baldwin County Internet/DSSI Service, L.L.C. to the Staff's Second Set of Data Requests

Enclosed for filing, please find an original and thirteen (13) copies of the Response of Baldwin County Internet/DSSI Service, L.L.C. to the Staff's Second Set of Data Requests, delivered via email by Ms. Candrea Allen.

Any questions regarding this filing may be directed to my attention at 214-762-7576, email at mike.giles@att.net, or physical address, 6601 County Rd 166, McKinney, TX 75071-7309. Thank you for your assistance in this matter.

Sincerely,


Michael N. Giles
Huron Consulting Group
Consultant for
Baldwin County Internet/DSSI Service, L.L.C.

Enclosures

Cc: Candrea Allen (Overnight Mail)

6601 County Rd 166
McKinney, Texas 75071-7309
P 214-762-7576 F 972-562-7449

www.huronconsultinggroup.com



**BALDWIN COUNTY INTERNET/DSSI SERVICE, L.L.C.'S
RESPONSE TO THE STAFF'S SECOND SET OF DATA REQUESTS
IN DOCKET NO. T-20544A-07-0456**

(Delivered by Email from Ms. Candrea Allen)

Q1. According to the application, BCI is currently providing service in Alabama and Florida. How many employees does the company currently have in Alabama and Florida.

R1. Baldwin County Internet/DSSI Service, L.L.C. (BCI or the Company) currently has one employee – Jeffery L. Hathaway. As with many start-ups, BCI outsources most of the functions normally found in a business.

BCI changed its business strategy in early 2007, selling the assets associated with the basic local exchange CLEC business in Florida and Alabama, while maintaining operational responsibility and management. The new strategy encompasses the carrier-to-carrier transport described in its application for a CC&N in Arizona and includes outsourcing most business functions initially. The business will be evaluated in the future to ensure that the optimum employee/outsourcing mix is in place.

Q2. Has BCI been approved in any other state or has the Company commenced service in any other state since the application has been filed in Arizona?

R2. Yes. BCI received certification as a CLEC in Nevada and Wisconsin since the Arizona application was filed. In addition, discussion with the Colorado Staff determined that BCI's transport business in Colorado could be operated without CLEC certification – just registration as a business. BCI will do so.

The Company has not begun operating in Nevada, Wisconsin, Colorado or Mississippi. It expects to begin service in these 4 states in 2008.

BCI also received statewide cable franchise authority in Florida and Texas. This permits limited transport services to private cable operators in these two states, with operations beginning in early 2008.

The Company has outstanding applications for CLEC certification in Georgia, Virginia, Illinois, and New Mexico. It expects to file in other states in the near future.

- Q3. If BCI has commenced service in any other state, please list the number of employees in that state as well.**
- R3. Not Applicable. BCI has not commenced service in any states other than Florida and Alabama.
- Q4. The Company filed a Certificate of Registration rather than a Certificate of Good Standing in the application for a CC&N. Please provide a copy of the Certificate of Good Standing.**
- R4. A copy of Baldwin County Internet/DSSI Service, L.L.C.'s Certificate of Good Standing in Arizona is attached to this response.

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION
CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****BALDWIN COUNTY INTERNET/DSSI SERVICE, L.L.C.*****

a foreign limited liability company organized under the laws of the jurisdiction of Alabama did obtain a Certificate of Registration in Arizona on the 3rd day of July 2007.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company has not had its Certificate of Registration revoked for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed a Certificate of Cancellation as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 26th Day of October, 2007, A. D.


Executive Director

Order Number: 184072

M Giles
Consulting, LLC

EXH A-6

April 15, 2008
Via Overnight Delivery

Docket No. T-20544A-07-0456

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927


RE: Response of Baldwin County Internet/DSSI Service, L.L.C. to the Staff's Letter of Insufficiency and Third Set of Data Requests, dated April 15, 2008

Enclosed for filing, please find an original and thirteen (13) copies of the Response of Baldwin County Internet/DSSI Service, L.L.C. to the Staff's Letter of Insufficiency and Third Set of Data Requests, delivered via email by Ms. Candrea Allen and by Certified Mail.

Please note that the Company is in the process of moving its operations from Orange Beach to 1240 Commerce Drive, Suite A, Gulf Shores, Alabama 36542. All documents should be changed to reflect this in-progress address change. Mail sent to either address will reach the intended addressee.

Any questions regarding this filing may be directed to my attention at 214-762-7576, email at mike.giles@att.net, or physical address, 6601 County Rd 166, McKinney, TX 75071-7309. Thank you for your assistance in this matter.

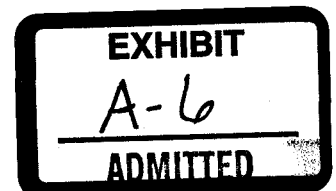
Sincerely,


Michael N. Giles
Consultant for
Baldwin County Internet/DSSI Service, L.L.C.

Enclosures

Cc: Ms. Candrea Allen (Overnight Mail)

6601 County Rd 166
McKinney, Texas 75071-7309
P 214-762-7576 F 972-562-7449
mike.giles@att.net



**BALDWIN COUNTY INTERNET/DSSI SERVICE, L.L.C.'S
RESPONSE TO THE STAFF'S THIRD SET OF DATA REQUESTS
IN DOCKET NO. T-20544A-07-0456**

(Delivered by Email from Ms. Candrea Allen & Certified Mail)

CLA 3.1 Please submit the company's financial information for the year ending December 31, 2007.

Response CLA 3.1 Attached are unaudited financial statements for January through December 2007 for BCI.

Data Source Jeffery L. Hathaway, Chief Executive Officer, 1240 Commerce Drive, Suite A, Gulf Shores, AL 36542

CLA 3.2 Please provide the date on which the company began operating.

Response CLA 3.2 BCI began operations on January 17, 2002. Attached are the Articles of Organization as a limited liability company from the State of Alabama.

Data Source Jeffery L. Hathaway, Chief Executive Officer, 1240 Commerce Drive, Suite A, Gulf Shores, AL 36542

**Baldwin County Internet
Unaudited Balance Sheet
For the Period Ended December 31, 2007**

Assets**Current Assets**

Cash Accounts	\$ 74,284
Accounts receivable	172,011
Prepaid expenses	6,866

Total Current Assets	253,161
-----------------------------	----------------

Assets

Property and equipment, net	18,225
-----------------------------	--------

Total assets	18,225
---------------------	---------------

Long-term assets

Security deposit	60,400
------------------	--------

Total long-term assets	60,400
-------------------------------	---------------

Total Assets	\$ 331,786
---------------------	-------------------

Liabilities and Equity**Liabilities**

Accounts Payable	\$ 624,197
Accrued Liabilities	6,827

Total Liabilities	631,024
--------------------------	----------------

Member's equity

Equity	6,924,722
Retained earnings	(6,460,121)
Net Income	(763,839)

Total member's equity	(299,238)
------------------------------	------------------

Total Liabilities and Members Equity	\$ 331,786
---	-------------------

**Baldwin County Internet
Unaudited Income Statement
For the Twelve Months Ended December 31, 2007**

Revenue	\$ 368,426
Cost of Goods Sold	(133,822)
Gross Margin	<u>234,604</u>
Operating Expenses:	
Consulting	(380,612)
Professional Services	(11,698)
Bank Service Charges	(649)
Meals & Entertainment	(1,332)
Legal	(1,784)
Dues & Subscriptions	(299)
Licenses & Permits	(800)
Marketing & Advertising	33
Communications Tax	(100)
Commercial Package Insurance	706
Depreciation	(187,099)
Travel	(9,259)
Insurance	(4,479)
Interest expense	(234,172)
Write-Off	(166,898)
Total operating expenses	<u>(998,443)</u>
Net Income (Loss)	<u>\$ (763,839)</u>

ARTICLES OF ORGANIZATION OF BALDWIN COUNTY INTERNET SERVICE, L.L.C.

BEFORE the undersigned Notary Public, duly commissioned and qualified in and for Jefferson Parish, Louisiana, personally came and appeared:

LESTER L. BOIHEM, JR., an individual of the full age of majority, domiciled in Jefferson Parish, Louisiana, with a mailing address of 4201 Girard St., Metairie, Louisiana 70001.

The undersigned, acting pursuant to the Alabama Limited Liability Company Act, adopts the following Articles of Organization:

Article I

Name

The name of this Limited Liability Company shall be Baldwin County Internet Service, L.L.C. (hereinafter "the LLC").

Article II

Purpose

The purpose of the LLC shall be to engage in any lawful activity for which limited liability companies may be formed under the Alabama Limited Liability Company Act.

Article III

Registered Office & Registered Agent

The full name and address of the registered agent is:

Lester L. Boihem, Jr.
22645 Canal Rd.
Suite B
Orange Beach, Al. 36561

State of Alabama, Baldwin County
I certify this instrument was filed
and taxes collected on:

2002 January -17 11: 29M

Instrument Number	537557	Pages	4
Recording	35.00	Mortgage	
Deed		Min tax	
Index		DP	1.00
Archive	3.00		

Adrian T. Johns, Judge of Probate

Article IV

Members

The original members of the LLC are as follows (collectively hereinafter the "Members"):

LESTER L. BOIHEM, JR., Social Security No. 437-84-5171, a resident of full age of the City of Metairie, State of Louisiana, and whose mailing address for the purposes hereof is 4201 Girard St., Louisiana 70001:

THE STATE OF ALABAMA
BALDWIN COUNTY
I, Adrian T. Johns
Judge of Probate in and
for said State and County, do hereby certify that the within
and foregoing is a true and correct copy of
Articles of Organization
as the same appears of record in my office on this date.
Instrument # 637557
Given under my hand and seal
of office this 17th day of
January 2002
Adrian T. Johns
JUDGE OF PROBATE

637557

JEFF HATHAWAY, a resident of the full age of Mason County, Mi., and whose mailing address is 3434 N. Amber Rd., Scottville, Mi. 36542.

The percentage of ownership of the LLC among the members shall be as follows:

LESTER L. BOIHEM, JR.	50%
JEFF HATHAWAY	50%

Third persons dealing with the LLC shall be entitled to conclusively presume that there are no additional or substituted Members of the LLC unless and until these Articles are amended to include such additional or substituted Members.

Article V Term

The LLC shall continue in existence until terminated by unanimous consent of all members. The LLC shall also terminate upon the bankruptcy, death or interdiction of a member, unless within ninety (90) days after such event, the LLC is continued by unanimous consent of the remaining member(s).

Article VI Management

The LLC shall be managed by LESTER L. BOIHEM, JR.

Article VII Indemnity

- (1) The LLC shall defend, indemnify and hold harmless an individual made a party to a proceeding because he is or was a member, officer, organizer, employee or agent of the LLC against liability incurred in the proceeding, if he:
 - (a) Conducted himself in good faith;
 - (b) Reasonably believed that his conduct was in or at least not opposed to the LLC's best interest; and
 - (c) In the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful.
- (2) The LLC shall pay for or reimburse the reasonable expenses incurred by a member, officer, organizer, employee or agent of the LLC who is a party to a proceeding in advance of final disposition of the proceeding, if:

- (a) The individual furnishes the LLC a written affirmation of his good faith belief that he has met the standard of conduct described herein;
- (b) The individual furnishes the LLC a written undertaking executed personally or on his behalf to repay the advance if it is ultimately determined that he did not meet the standard of conduct; and
- (c) A determination is made that the facts then known to those making the determination would not preclude the indemnification under the law.

The undertaking required by this paragraph shall be an unlimited general obligation, but need not be secured and may be accepted without reference to financial ability to make repayment.

- (3) The indemnification and advance of expenses authorized herein shall not be exclusive to any other rights to which any Member, officer, organizer, employee or agent may be entitled under any by-law, agreement, vote of disinterested Members or otherwise. These Articles of Organization shall not be interpreted to limit in any manner the indemnification or right to advancement for expenses of an individual who would otherwise be entitled thereto. These Articles of Organization shall be interpreted as mandating indemnification and advancement of expenses to the maximum extent permitted by law.
- (4) In addition to the foregoing, the LLC shall indemnify and save the organizers harmless for all acts taken by them as organizers of the LLC and shall pay all costs and expenses incurred by or imposed upon them as a result of the same, including compensation based upon the usual charges for any time expenditures required of them in pursuit of the defense against any liability arising on the account of acting as organizers or arising on the account enforcing the indemnification right hereunder, and the LLC releases them from all liability for any such act as organizers not involving willful or grossly negligent misconduct.

Article VIII Certifying Officials

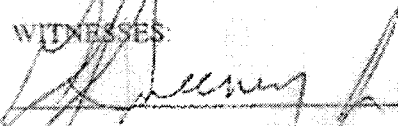

Unless and until an amendment to these articles is filed in the office of the Alabama Secretary of State, any person dealing with the LLC may rely upon a certificate of LESTER L. BOHEM, JR., Social Security Number 437-84-5171, with an address of 4201 Girard St, Metairie, Louisiana 70001 to:

- (a) establish the membership of any member of the LLC;


- (b) establish the authority of any records of the LLC; or
- (c) establish the authority of any person to act on behalf of the LLC, including but not limited to the authority to take the following actions:
 - (1) The dissolution or winding up of the LLC;
 - (2) The sale, exchange, lease, mortgage, pledge, or other transfers of all or substantially all of the assets of the LLC;
 - (3) The merger or consolidation of the LLC;
 - (4) The incurrence of indebtedness by the LLC other than in the ordinary course of its business;
 - (5) The alienation, lease or encumbrance of any immovable property of the LLC; and
 - (6) An amendment to the articles of organization.

THUS DONE AND SIGNED on this 3 day of December, 2001, before the undersigned Notary Public and the undersigned competent witnesses.

WITNESSES:


LESTER L. BOIHEM, JR.


NOTARY PUBLIC

STATE OF ALABAMA

DOMESTIC LIMITED LIABILITY COMPANY GUIDELINES
ARTICLES OF AMENDMENT TO ARTICLES OF ORGANIZATION

INSTRUCTIONS

STEP 1: Within 30 days of a name change, false or erroneous statement in the Articles of Organization, change in the period of duration, or a change in any statement in the Articles of Organization, an amendment should be filed to reflect the occurrence of the event(s).

STEP 2: File the original and two copies in the county where the original Articles of Organization are filed. The Secretary of State's filing fee is \$0. Please contact the Judge of Probate to verify the appropriate filing fee.

Pursuant to 10-12-11 of the Alabama Limited Liability Company Act, the undersigned hereby adopts the following Articles of Amendment:

- Article I The name of the limited liability company:
Baldwin County Internet Service, L.L.C.
- Article II The following amendment was adopted in the manner provided for by the Alabama Limited Liability Act:
Article I shall now read: "The name of the Limited Liability Company shall be Baldwin County Internet/DSL Service, L.L.C. (hereinafter "the LLC")."
- Article III The amendment, consistent with the Limited Liability Company Act, was approved by a majority vote of the members entitled to vote or in accordance with the requirements set forth in the articles of organization and prescribed by law.

DATE: 2/17/03

Notary Public for the State of Alabama
My Commission Expires: 02/17/05

Notary Public for the State of Alabama
My Commission Expires: 02/17/05

W. L. P. Jones
Type or Print Name of Member

Signature of Member

SEAL OF BALDWIN COUNTY
JUDGE OF PROBATE
P. 08
for said State and County, do hereby certify that this within
and foregoing is a true and correct copy of
Articles of Amendment
as the same appears of record in my office on this date.
Witness my hand and seal of office this 17th day of
February, 2003. *Adrian J. Jones*
JUDGE OF PROBATE

M Giles
Consulting, LLC

Exh A-7

May 1, 2008
Via Overnight Delivery

Docket No. T-20544A-07-0456

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927

RE: Response of Baldwin County Internet/DSSI Service, L.L.C. to the Staff's Letter of Insufficiency and Fourth Set of Data Requests, dated April 22, 2008

Enclosed for filing, please find an original and thirteen (13) copies of the Response of Baldwin County Internet/DSSI Service, L.L.C. to the Staff's Letter of Insufficiency and Fourth Set of Data Requests, delivered via email by Ms. Candrea Allen and by Certified Mail.

Any questions regarding this filing may be directed to my attention at 214-762-7576, email at mike.giles@att.net, or physical address, 6601 County Rd 166, McKinney, TX 75071-7309.
Thank you for your assistance in this matter.

Sincerely,

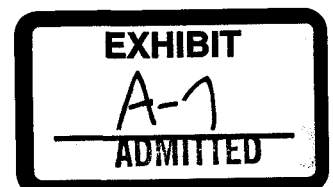
Michael N. Giles
Consultant for
Baldwin County Internet/DSSI Service, L.L.C.

Enclosures

Cc: Ms. Candrea Allen (Overnight Mail and Email)

6601 County Rd 166
McKinney, Texas 75071-7309
P 214-762-7576 F 972-662-7449

mike.giles@att.net



**BALDWIN COUNTY INTERNET/DSSI SERVICE, L.L.C.'S
RESPONSE TO THE STAFF'S FOURTH SET OF DATA REQUESTS
IN DOCKET NO. T-20544A-07-0456**

(Delivered by Email and Certified Mail from Ms. Candrea Allen)

- Q1. Please provide an explanation of what makes up each item listed as a Fixed Asset (Cable, Software, and Head End Equipment) on the company's 2006 balance sheet.
- R1. Up until May 2007, Baldwin County Internet/DSSI Service, L.L.C. (BCI) provided video, data, VoIP, and internet service over company-owned facilities and equipment. Service was provided to customers over fiber optic cables and other technically advanced facilities. The Fixed Asset category included the fiber optic transport, fiber optic distribution cable to the customers, the video head-ends to receive and distribute video signals, computers and associated software for routing data, property and buildings. It included all assets necessary to provide service to customers.
- Q2. On Baldwin's 2006 Balance Sheet submitted on August 1, 2007, the company lists Total Assets of approximately \$5.4 million with almost \$4.5 million listed as Fixed Assets (Cable, Software, and Head End Equipment). However, there are not Fixed Assets included in the company's 2007 Unaudited Balance Sheet. Please explain this difference between the company's 2006 and 2007 Balance Sheets.
- R2. Prior to May 2007, Baldwin County Internet/DSSI Service, L.L.C. owned the assets it used to provide service in Florida and Alabama. The company provided a mix of services to its customers, including VoIP, video, data, and internet service. It provided this service utilizing fiber optic cable to its residential customers (FTTH – fiber-to-the-home) and its business customers such as resorts, video head-end equipment and other equipment, facilities and software necessary to provide service. In May 2007, the Company changed its strategic direction and sold most of its assets, then leased back the assets to enable it to continue to provide the same services in Florida and Alabama. At that time, it determined that its future business in all other states, including Tennessee, would be to provide transport services to other service providers.

As a result of this major strategic shift in direction, the Balance Sheet for 2006 includes the "old" company with significant assets. The 2007 Balance Sheet provides the December 31, 2007, assets of zero, since all assets were sold in May 2007. These assets were then leased back to BCI to enable the company to continue providing the same services.

M Giles
Consulting, LLC

July 28, 2008
Via Overnight Delivery

Docket No. T-20544A-07-0456

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927

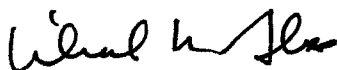
RE: Affidavit of Publication of Notice by Baldwin County Internet/DSSI Service, L.L.C. as Directed in Procedural Order Issued June 18, 2008, in Docket T-20544A-07-0456

Baldwin County Internet/DSSI Service, L.L.C. was directed by the Arizona Corporation Commission in its Procedural Order of June 18, 2008, to publish Notice of the Hearing in Docket T-20544A-07-0456, scheduled for August 14, 2008. The Company has done so and is submitting the Affidavit and "tear sheet" for this publication as directed.

Enclosed for filing, please find an original and thirteen (13) copies of the Affidavit and "tear sheet."

Any questions regarding this filing may be directed to my attention at 214-762-7576, email at mike.giles@att.net, or physical address, 6601 County Rd 166, McKinney, TX 75071-7309. Thank you for your assistance in this matter.

Sincerely,



Michael N. Giles
Consultant for
Baldwin County Internet/DSSI Service, L.L.C.

Enclosures

Cc: Ms. Candrea Allen (Overnight Mail)



THE ARIZONA REPUBLIC

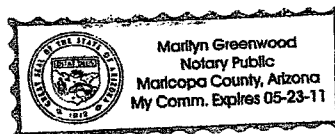
STATE OF ARIZONA
COUNTY OF MARICOPA } SS.

Robert Lane, being first duly sworn, upon oath deposes and says: That he is a legal advertising representative of the Arizona Business Gazette, a newspaper of general circulation in the county of Maricopa, State of Arizona, published at Phoenix, Arizona, by Phoenix Newspapers Inc., which also publishes The Arizona Republic, and that the copy hereto attached is a true copy of the advertisement published in the said paper on the dates as indicated.

The Arizona Republic

July 18, 2008

Sworn to before me this
18TH day of
July A.D. 2008



Marilyn Greenwood
Notary Public

IN THE MATTER OF THE APPLICATION OF BALDWIN COUNTY INTERNET/DSSI SERVICE, L.L.C. FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND NECESSITY FOR FACILITIES-BASED AND RESOLD PRIVATE LINE SERVICES.

(Docket No. T-20544A-07-0456)

Summary

Baldwin County Internet/DSSI Service, L.L.C. ("Applicant") has filed an application with the Arizona Corporation Commission ("Commission") for a Certificate of Convenience and Necessity ("CC&N") to provide facilities-based and resold private line telecommunications services in the State of Arizona.

The Commission's Utilities Division Staff ("Staff") has recommended approval of the application. The Commission will determine whether the application should be granted based on the evidence of record in the proceeding. The Commission is not bound by the proposals made by the Applicant, Staff, or any intervenors. The Applicant would be required to provide these services under the rates and charges and terms and conditions established by the Commission.

How You Can View or Obtain a Copy of the Application and Other Documents

Copies of the application and the other documents filed in this docket are available at the Applicant's offices at Baldwin County Internet/DSSI Service, L.L.C., 22645 Canal Road, Suite 3, Orange Beach, AL 36561; at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours; and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

Public Hearing Information

The Commission will hold a hearing on this matter beginning August 14, 2008, at 10:00 a.m., in Room 100 at the Commission's offices, 1200 West Washington, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No. T-20544A-07-0456 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you desire to intervene, you must file a written

motion to intervene with the Commission no later than August 1, 2008. You must send a copy of the motion to intervene to the Applicant or its counsel and to all parties of record. Your motion to intervene must contain the following:

1. Your name, address, and telephone number and the name, address, and telephone number of any person or entity upon whom service of documents is to be made, if not yourself;

2. A short statement of your interest in the proceeding (e.g., a customer of the Applicant, etc.); and

3. A statement certifying that you have mailed a copy of the motion to intervene to the Applicant or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before August 1, 2008. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter and may request this document in an alternative format by contacting the Commission's ADA Coordinator, Linda Hogan, by e-mail at LHogan@azcc.gov or by voice phone number at (602) 542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

Published: July 18, 2008

M Giles
Consulting, LLC

August 6, 2008
Via Overnight Delivery

exh A-9

Docket No. T-20544A-07-0456

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927

RE: Supplemental Filing to the Application of Baldwin County Internet/DSSI Service, L.L.C.
for a CCN as a Competitive Local Exchange Carrier, Docket No. T-20544A-07-0456

Baldwin County Internet/DSSI Service, L.L.C. (BCI) filed an application for a Certificate of Convenience and Necessity to Operate as a Competitive Local Exchange Carrier throughout the State of Arizona on July 30, 2007. It was assigned Docket No. T-20544A-07-0456. The Arizona Corporation Commission scheduled a Hearing in the proceeding on August 14, 2008, in its Procedural Order of June 18, 2008. Since an extended time period has occurred from the filing of the original application, BCI is providing this Supplemental Filing to update certain portions of the original application. The items being updated include:

- (1) Address change for BCI due to growth. (Q. A-2) The move is essentially complete, although mail will continue to be received at both addresses for a time.
- (2) Updating the in-house employee list to include Harold R. Bailes, the new Company President (Q. A-4 and A-19)
- (3) Updated list of states in which BCI has been authorized to operate (Q. A-18 and 2nd Data Request, Q. 2)
- (4) Updated list of key personnel and their qualifications (Q. A-19)
- (5) Updated financial schedules for 2007. BCI provided preliminary schedules in response to the Staff's Third Set of Data Requests. These schedules inadvertently omitted a 180-mile fiber transport loop in Alabama that was owned by BCI.

Enclosed for filing, please find an original and thirteen (13) copies of this Supplemental Filing which modifies the company's Application in Docket No. T-20544A-07-0456.

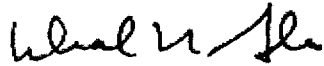
6601 County Rd 166
McKinney, Texas 75071-7309
P 214-762-7576 F 972-562-7449

mike.giles@att.net



Any questions regarding this filing may be directed to my attention at 214-762-7576, email at mike.giles@att.net, or physical address, 6601 County Rd 166, McKinney, TX 75071-7309.
Thank you for your assistance in this matter.

Sincerely,



Michael N. Giles
Consultant for
Baldwin County Internet/DSSI Service, L.L.C.

Enclosures

Cc: Ms. Candrea Allen (Overnight Mail and Email)

BEFORE THE ARIZONA CORPORATOIN COMMISSION

IN THE MATTER OF THE APPLICATION OF
BALDWIN COUNTY INTERNET/DSSI
SERVICE, L.L.C. FOR APPROVAL OF A
CERTIFICATE OF CONVENIENCE AND
NECESSITY FOR FACILITIES-BASED AND
RESOLD PRIVATE LINE SERVICES.

DOCKET NO. T-20544A-07-0456

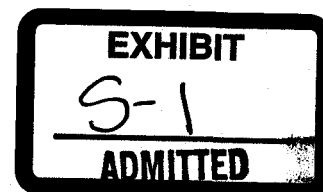
FILING SUPPLEMENTING THE APPLICATION

On July 30, 2007, Baldwin County Internet/DSSI Service, L.L.C. (BCI) filed an application for a Certificate of Convenience and Necessity to provide facilities-based and resold long distance and local exchange telecommunications services in the State of Arizona. BCI also petitioned the Commission to have its proposed services classified as competitive. The Application was assigned Docket No. T-20544A-07-0456. Since an extended time period has occurred from the filing of the original application, BCI is providing updated information for certain portions of the original application. The items being updated do not change or impact the overall application and business plan of BCI.

The address listed in Question (A-2) has changed. Due to its expanding business, the Company is in completing a move to larger offices approximately 15 miles distance at:

Mailing Address: P.O. Box 1245, Gulf Shores, AL 36547

Physical Address: 1240 Commerce Drive, Suite A, Gulf Shores, AL 36542



The move is essentially complete; however mail will continue to be received at both locations for a short time period. All telephone numbers remain unchanged, except as indicated in this Supplemental Filing. There also is no change in email or web addresses which remain jeffh@dssitech.com and www.dssitech.com.

BCI's Management Contact (Question (A-4)) has changed. Mr. Harold R. (Harry) Bailes has joined BCI as the Company President. He will now handle all management contacts and can be reached at:

Harold R. (Harry) Bailes, President
1240 Commerce Drive, Suite A
Gulf Shores, AL 36542
Telephone 919-454-4176, Fax 919-882-9338
Email: harry.bailes@beyondcommunications.net

In the response to Question (A-5), the consultant, Michael N. Giles is no longer representing Huron Consulting Group. Instead he is working independently.

BCI's Complaint Contact Person (Question (A-6)) has changed. Ms. Reid is no longer in this position. Ms. Michele Levingston has replaced her:

Michele Levingston, Director – Customer Service
Address: 111 Corning Road, Suite 250, Cary, NC 27511
Telephone: 919-535-7322
Wireless Telephone: 919-337-8844
Fax No.: 919-882-1125
Email: michele.levingston@cnxntech.com

Question (A-8) and Attachment A remain unchanged. Mr. Hathaway retains 100% ownership of the Company. Mr. Bailes is an internal employee of the company as Company President.

The responses to Question (A-18) and (A-19) have also changed. During the last year, Baldwin County Internet/DSSI Service, L.L.C. has been authorized to provide competitive local exchange and interexchange service in several additional states, beyond those listed in its Application. The current list of states includes:

- Florida
- Alabama
- Mississippi
- Nevada
- Wisconsin
- Virginia
- Colorado (CLEC transport and interexchange services are not regulated in Colorado)
- Utah
- Texas
- Georgia
- New Mexico
- Illinois
- Tennessee

In the response to Question (A-19) of its Application, BCI provided qualifications of its key personnel. Mr. Hathaway, the Chief Executive Officer remains in his position. Mr. Jones, Mr. Barstow and Ms. Reid have moved on to other positions. Their replacements and their qualifications follow.

Harold R. Bailes (Harry), President, has spent his professional career in and around leading edge technology ventures. Harry graduated from law school at the University of Virginia and practiced law in Charlottesville, Virginia from 1971 until the mid 1980's.

Harry was one of the first lawyers in Virginia to use a computer in the practice of law and designed one of the first timekeeping and billing systems for attorneys in the marketplace. Harry became Vice President of Strategic Business Development for Image Technology, Inc. in Greensboro, North Carolina in the early 1990's and was instrumental in the investment by then U. S. West in the company and the company's ultimate sale to MCI. Following that purchase, Harry left Image Technology, Inc. to form KOZ.Com, one of the first companies to build sophisticated community publishing software for the internet with a focus on media. Harry joined Connexion Technologies as one of its first 10 employees and served until this year as its Executive Vice President. He left Connexion Technologies to assume this position with Baldwin County Internet.

Richard M. Alder, Executive Officer and Vice President of Operations, has been with Connexion Technologies/Accelera since 2006. Prior to his association with Connexion Technologies/Accelera he was Executive Vice President for Madison River Communications, which was Connexion/Accelera's original Service Provider, from 1999 - 2006. He served in various capacities during his tenure at Madison River including President of MebTel, one of Madison River's independent telephone companies (CLECs), Executive Vice President of Business Analysis and Marketing, Executive Vice President - North Carolina Operations, and Vice President of Business Analysis. He held the position of Vice President of Major Account Sales for TAMCO/Telimage in 1996-1999 and worked as a Project Manager/Consultant for USRobotics/3COM from 1996-1997. From 1993 - 1996, he was President of Telecommute Solutions. From 1983 - 1993, he served in various positions in Centel/Central Telephone/Centel Business Systems and prior to those positions, he worked for Southwestern Bell as a Network Service Supervisor. Mr. Alder has over 27 years of operational experience in the telecommunications industry. He holds a B.S. in Mechanical Engineering from Texas Tech University (1976) and an MBA from the University of Houston (1987).

Eric Landry, NOC (Network Operations Center) Director, has been with Accelera/Connexion Technologies since 2007. He has over 20 years of telecommunications experience planning, managing, maintaining and administering all aspects of voice, data, wireless, and IP (Internet Protocol) networks. Prior to his association with Accelera/Connexion Technologies Mr. Landry was Director of Service Management Centers for Talk America. He also held various technical and engineering positions with Network Telephone Corporation, AirAd, Sjoberg, Landry and St.Pierre. Inc., and also served as Vice President, Systems and Engineering for Network USA, a division of Network Paging Corporation. Mr. Landry holds a B.S. in Computer Science from the University of Louisiana, Lafayette, Louisiana (1984).

Michele Livingston, Director - Customer Service, has almost 20 years experience in the telecommunications industry. Her experience covers several markets, including North

Carolina, Virginia, South Carolina, Georgia, Florida, Alabama, Louisiana, Mississippi, Texas, California, Arizona, Illinois, Kansas, Missouri, and Nevada. Ms. Livingston joined the Accelera Service Bureau in October 2007, bringing with her a successful track record of commitment to excellent customer service. She has dealt with both business and residential customers during her 20-year career. Her call center and customer service experience runs the gamut from customer service representative to management positions at Sprint, Madison River Communications and Central Telephone Company. She has been in call center management for the last 10 years. Ms. Livingston's current team includes 9 managers and growth for up to 75 agents.

Note that Accelera Services, LLC, referred to frequently in the above qualification lists, is a related company of Connexion Technologies. It is a support services company that provides various regulatory, accounts payable, customer billing, and vendor assistance services to small ISP/VoIP/video service providers such as BCI.

The financial information for 2007 provided in the Application (Questions (B-1) and (B-2) and Attachment D) and BCI's response to the Staff's Third Set of Data Requests (Question CLA 3.1) and the Staff's Fourth's Set of Data Requests (Q1 and Q2) was filed as preliminary information. Since that time, the support Accounting function of Accelera has determined that a 180-mile fiber backbone loop in Alabama was not properly included in the assets. The attached financials now include this fiber backbone loop on the Balance Sheet. The financial schedules for 2007, including the Balance Sheet, Income Statement and Statement of Cash Flows, are included with this Supplemental Filing. Since BCI is a private company, they continue to be unaudited financial statements.

In its response to Question CLA 3.2 in the Staff's Third Set of Data Requests, BCI provided the Articles of Organization for the company. Since that filing, the company determined that the articles as they existed did not reflect the current ownership – Jeffery Hathaway as the sole/100% owner. Attached is the Amendment to the Articles of Organization which correctly states the current ownership.

Baldwin County Internet/DSSI Service, L.L.C. is providing this updated information to ensure that the Commission has the latest data on which to base its decision on granting the company a Certificate of Convenience and Necessity for facilities-based and resold private line services. The Company has the technical, managerial, and financial capabilities to provide superb service throughout the State of Arizona. The company feels strongly that it is in the public interest to grant BCI a Certificate of Convenience and Necessity.

Baldwin County Internet
Balance Sheet
For the Twelve Months Ending December 31, 2007

Assets

Current assets:

Cash and cash equivalents	\$ 94,048
Accounts receivable	395,865
Prepaid expenses	750

Total current assets	490,661
----------------------	---------

Fixed assets:

Fiber network, net of depreciation	7,028,450
------------------------------------	-----------

Total fixed assets	7,028,450
--------------------	-----------

Other assets:

Franchise agreements	6,750
Security deposits	60,000
Receivable from affiliate	4,004,412

Total other assets	4,071,162
--------------------	-----------

Total Assets	\$ 11,590,273
--------------	---------------

Liabilities and members' capital

Current Liabilities:

Accounts payable	\$ 642,494
Taxes payable	5,837
Unearned revenue	5,967
Accrued expenses	50,000

Total current liabilities:	704,298
----------------------------	---------

Long-term obligations:

Notes payable - affiliated party	70,000
Line of credit	-

Total long-term obligations	70,000
-----------------------------	--------

Total liabilities	774,298
-------------------	---------

Members' capital:

Membership interests	18,083,818
Accumulated deficit	(7,267,843)

Total members' capital	10,815,975
------------------------	------------

Total liabilities and members' capital	\$ 11,590,273
--	---------------

Baldwin County Internet
Income Statement
For the Twelve Months Ending December 31, 2007

Revenue:	Totals
Local fixed fees	99,723
Long distance	27,000
PRI Telephone numbers	-
CABS Billing	11,537
Miscellaneous voice	8,948
Other	5,467
Broadband access	67,480
Internet services other	6,612
Transportation maintenance	59,199
Channel lease	42,000
Dark fiber lease	114,501
NCTC Revenue reimbursement from affiliate	135,961
Total revenue	<u>678,426</u>
 Cost of services:	
Voice Bulk Residential	23,626
Voice Take Residential	11,664
Data Bulk Residential	12,670
NCTC costs paid by affiliate	194,107
Total cost of services	<u>242,067</u>
Gross margin	<u>336,359</u>
 Operating expenses:	
Consulting	414,515
Professional Services	250
Bank Service Charges	6,892
Travel	16,179
Repairs & Maintenance	3,147
Dues & Subscriptions	8,200
Computer supplies	4,852
Licenses & Permits	923
Marketing & Advertising	224
Utilities	(9,330)
Communications Tax	905
Commercial Package Insurance	3,957
Work's Comp Insurance	2,257
Depreciation	198,512
Miscellaneous	30,141
Interest expense	153,965
Interest income	14,993
Bad debt expense	211,212
Total Operating expenses	<u>1,061,794</u>
Net Income (Loss)	<u>\$ (725,436)</u>

Baldwin County Internet
Statements of Cash Flows
For the Twelve Months Ending December 31, 2007

Cash Flows From Operating Activities

Net income/(loss)	\$ (725,436)
Adjustments to reconcile net income/(loss) used in operating activities:	
Depreciation	198,512
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(141,451)
Prepaid expenses	130,954
Security deposits	(49,600)
Loans receivable from affiliate	166,411
Other assets	333
(Increase) decrease in:	
Accounts payable	(20,427)
Accrued expenses	59,636

Net cash used in operating activities (381,067)

Cash Flows Used in Investing Activities

Purchase of property and equipment	(191,783)
------------------------------------	-----------

Net cash used by investing activities (191,783)

Cash Flows From Financing Activities

Proceeds from sale of assets	13,700,000
Payments on credit line	(4,999,311)
Payments on notes payable	(8,044,661)

Net cash provided by financing activities 656,028

Net increase (decrease) in cash 83,178

Cash and cash equivalents:

Cash at Beginning of period 10,868

End of period \$ 94,046

AMENDMENT TO ARTICLES OF ORGANIZATION
OF BALDWIN COUNTY INTERNET/DSSI SERVICE, L.L.C.

Pursuant to 10-12-11 of the Alabama Limited Liability Company Act, the undersigned hereby adopts the following Articles of Amendment:

Article 1
Name

The name of this Limited Liability Company shall be Baldwin County Internet/DSSI Service, L.L.C. (hereinafter the "L.L.C.").

Article 2

The following amendment was adopted in the manner provided for by the Alabama Limited Liability Act:

Article IV
Members

The members of the L.L.C. shall be amended as follows (collectively hereinafter the "Members"):

JEFFERY L. HATHAWAY, a resident of the full age of Foley, Alabama, and whose mailing address is 204 Oxford Way, Foley, Alabama 36535.

The percentage of ownership of the L.L.C. among the members shall be as follows:

JEFFERY L. HATHAWAY 100%

Third persons dealing with the L.L.C. shall be entitled to conclusively presume that there are no additional or substituted Members of the L.L.C. unless and until these Articles are amended to include such additional or substituted Members.

Article VI
Management

The L.L.C. shall be managed by Jeffery L. Hathaway.

Article 3

The amendment, constituent with the Limited Liability Company Act, was approved by a majority vote of the members entitled to vote or in accordance with the requirements set forth in the Articles of Organization and prescribed by law.

Date: April 17, 2008

Jeffery L. Hathaway
Jeffery L. Hathaway, Managing Member

Prepared by:
Linda Price
111 Corning Road, Ste 250
Cary, NC 27518

1113608

BALDWIN COUNTY, ALABAMA
JUDGE AUBURN T. JOHNS
Filed: 5/12/08 5:48 AM
TOTAL \$ 20.00
1 Pages

STATE OF ALABAMA
BALDWIN COUNTY
I, ROBERT T. J.
Judge of Probate in and
for said State and County, do hereby certify that the within
and foregoing is a (true and correct copy of)
Articles of Amendment
as the same appears of record in my office on this date.
Witness my hand and seal of office on this date.
May 2008
Judge of Probate

BEFORE THE ARIZONA CORPORATOIN COMMISSION

IN THE MATTER OF THE APPLICATION OF
BALDWIN COUNTY INTERNET/DSSI
SERVICE, L.L.C. FOR APPROVAL OF A
CERTIFICATE OF CONVENIENCE AND
NECESSITY FOR FACILITIES-BASED AND
RESOLD PRIVATE LINE SERVICES.

DOCKET NO. T-20544A-07-0456

FILING SUPPLEMENTING THE APPLICATION

On July 30, 2007, Baldwin County Internet/DSSI Service, L.L.C. (BCI) filed an application for a Certificate of Convenience and Necessity to provide facilities-based and resold long distance and local exchange telecommunications services in the State of Arizona. BCI also petitioned the Commission to have its proposed services classified as competitive. The Application was assigned Docket No. T-20544A-07-0456. Since an extended time period has occurred from the filing of the original application, BCI is providing updated information for certain portions of the original application. The items being updated do not change or impact the overall application and business plan of BCI.

The address listed in Question (A-2) is in the process of being changed. Due to its expanding business, the Company is in the process moving to larger offices approximately 15 miles distance at:

Mailing Address: P.O. Box 1245, Gulf Shores, AL 36547

Physical Address: 1240 Commerce Drive, Suite A, Gulf Shores, AL 36542

Mail and telephone communications, at the original numbers, will continue at both locations until the move has been completed. There is no change in email or web addresses which remain jeffh@dssitech.com and www.dssitech.com.

BCI's Management Contact (Question (A-4)) has changed. Mr. Harold R. (Harry) Bailes has joined BCI as the Company President. He will now handle all management contacts and can be reached at:

Harold R. (Harry) Bailes, President
1240 Commerce Drive, Suite A
Gulf Shores, AL 36542
Telephone 919-454-4176, Fax 919-882-9338
Email: harry.bailes@beyondcommunications.net

In the response to Question (A-5), the consultant, Michael N. Giles is no longer representing Huron Consulting Group. Instead is working independently as M Giles Consulting.

BCI's Complaint Contact Person (Question (A-6)) has changed. Ms. Reid is no longer in this position. Mr. Bobby Brown has replaced her:

Bobby Brown, General Manager Service Bureau
Address: 22645 Canal Road, Suite B, Orange Beach, AL 36561
Telephone: 251-224-0880
Fax No.: 251-224-0831
Email: bobby.brown@cnxntech.com

Question (A-8) and Attachment A remain unchanged. Mr. Hathaway retains 100% ownership of the Company. Mr. Bailes is an internal employee of the company as Company President, but has no current ownership in BCI.

The responses to Question (A-18) and (A-19) have also changed. During the last year, Baldwin County Internet/DSSI Service, L.L.C. has been authorized to provide competitive local exchange and interexchange service in several additional states, beyond those listed in its Application. The current list of states includes:

- Florida
- Alabama
- Mississippi
- Nevada
- Wisconsin
- Virginia
- Colorado (CLEC transport and interexchange services are not regulated in Colorado)
- Utah
- Texas
- Georgia
- New Mexico
- Illinois
- Tennessee

The Company's projects in North Carolina have been postponed and BCI elected to withdraw its application for CLEC and IXC authority until it had a definite need (the application was withdrawn without prejudice). At that time, BCI expects to file again in North Carolina. South Carolina, Maryland and California remain in the process of being researched for future CLEC filings, dependent on potential projects.

In the response to Question (A-19) of its Application, BCI provided qualifications of its key personnel. Mr. Hathaway, the Chief Executive Officer remains in his position. Mr. Jones, Mr. Barstow and Ms. Reid have moved on to other positions. Their replacements and their qualifications follow.

Harold R. Bailes (Harry), President, has spent his professional career in and around leading edge technology ventures. Harry graduated from law school at the University of Virginia and practiced law in Charlottesville, Virginia from 1971 until the mid 1980's. Harry was one of the first lawyers in Virginia to use a computer in the practice of law and designed one of the first timekeeping and billing systems for attorneys in the marketplace. Harry became Vice President of Strategic Business Development for Image Technology, Inc. in Greensboro, North Carolina in the early 1990's and was instrumental in the investment by then U. S. West in the company and the company's ultimate sale to MCI. Following that purchase, Harry left Image Technology, Inc. to form KOZ.Com, one of the first companies to build sophisticated community publishing software for the internet with a focus on media. Harry joined Connexion Technologies as one of its first 10 employees and served until this year as its Executive Vice President. He left Connexion Technologies to assume this position with Baldwin County Internet.

Richard M. Alder, Executive Officer and Vice President of Operations, has been with Connexion Technologies/Accelera since 2006. Prior to his association with Connexion Technologies/Accelera he was Executive Vice President for Madison River Communications, which was Connexion/Accelera's original Service Provider, from 1999 - 2006. He served in various capacities during his tenure at Madison River including President of MebTel, one of Madison River's independent telephone companies (CLECs), Executive Vice President of Business Analysis and Marketing, Executive Vice President – North Carolina Operations, and Vice President of Business Analysis. He held the position of Vice President of Major Account Sales for TAMCO/Telimage in 1996-1999 and worked as a Project Manager/Consultant for USRobotics/3COM from 1996-1997. From 1993 – 1996, he was President of Telecommute Solutions. From 1983 – 1993, he served in various positions in Centel/Central Telephone/Centel Business Systems and prior to those positions, he worked for Southwestern Bell as a Network Service Supervisor. Mr. Alder has over 27 years of operational experience in the telecommunications industry. He holds a B.S. in Mechanical Engineering from Texas Tech University (1976) and an MBA from the University of Houston (1987).

Eric Landry, NOC (Network Operations Center) Director, has been with Accelera/Connexion Technologies since 2007. He has over 20 years of telecommunications experience planning, managing, maintaining and administering all aspects of voice, data, wireless, and IP (Internet Protocol) networks. Prior to his association with Accelera/Connexion Technologies Mr. Landry was Director of Service Management Centers for Talk America. He also held various technical and engineering positions with Network Telephone Corporation, AirAd, Sjoborg, Landry and St.Pierre, Inc., and also served as Vice President, Systems and Engineering for Network USA, a division of Network Paging Corporation. Mr. Landry holds a B.S. in Computer Science from the University of Louisiana, Lafayette, Louisiana (1984).

Bobby Brown, General Manager Service Bureau, has over 16 years experience in the telecommunications and security industries, in several markets including Alabama, Florida and Louisiana. Mr. Brown joined the Accelera Services Bureau in April, 2008, bringing with him a successful history of commitment to excellent customer service. His management and customer service experience includes positions at BellSouth, Protection One, SecureComm, Saia Electronic/Advanced Automation, Total Home Electronics and McManus Security. Mr. Brown holds a Louisiana Burglar and Fire Alarm certification as a Class "B" Low Voltage Technician (Level I, II & IIB, Advanced Electronics, Fire System Installation Standards, Space Detection and Controls & Communication). Mr. Brown's team includes three management positions and growth for 75 agents.

Note that Accelera Services, LLC, referred to frequently in the above qualification lists, is a related company of Connexion Technologies. It is a support services company that provides various regulatory, accounts payable, customer billing, and vendor assistance services to small ISP/VoIP/video service providers such as BCI.

The financial information for 2007 provided in the Application (Questions (B-1) and (B-2) and Attachment D) and BCI's response to the Staff's Third Set of Data Requests (Question CLA 3.1) and the Staff's Fourth's Set of Data Requests (Q1 and Q2) was filed as preliminary information. Since that time, the support Accounting function of Accelera has determined that a 180-mile fiber backbone loop in Alabama, that has been retained by BCI, was not properly included in the assets. The attached financials now include this fiber backbone loop in the Balance Sheet. The financial schedules for 2007, including the Balance Sheet, Income Statement and Statement of Cash Flows, are included with this Supplemental Filing. Since BCI is a private company, they continue to be unaudited financial statements.

In its response to Question CLA 3.2 in the Staff's Third Set of Data Requests, BCI provided the Articles of Organization for the company. Since that filing, the company determined that the articles as they existed did not reflect the current ownership – Jeffery Hathaway as the sole/100% owner. Attached is the Amendment to the Articles of Organization which correctly states the current ownership.

Baldwin County Internet/DSSI Service, L.L.C. is providing this updated information to ensure that the Commission has the latest data on which to base its decision on granting the company a Certificate of Convenience and Necessity for facilities-based and resold private line services. The Company has the technical, managerial, and financial capabilities to provide superb service throughout the State of Arizona. The company feels strongly that it is in the public interest to grant BCI a Certificate of Convenience and Necessity.

LEGAL RECEIVED

JUN 16 2008

MEMORANDUM

LEGAL DIV.
ARIZ. CORPORATION COMMISSION

RECEIVED

2008 JUN 16 A 10:07

AZ CORP COMMISSION
DOCKET CONTROL

TO: Docket Control

FROM: Ernest G. Johnson
Director
Utilities Division

EA for EGT

DATE: June 16, 2008

RE: IN THE MATTER OF THE APPLICATION OF BALDWIN COUNTY
INTERNET/DSSI SERVICE, L.L.C. FOR APPROVAL OF A CERTIFICATE
OF CONVENIENCE AND NECESSITY FOR FACILITIES BASED AND
RESOLD PRIVATE LINE SERVICES (DOCKET NO. T-20544A-07-0456)

Attached is the Staff Report for the above referenced application. The Company is applying for approval to provide the following services:

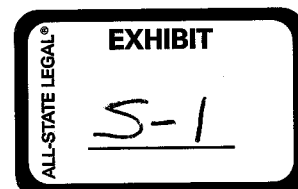
- Private Line Services

Staff is recommending approval of the application.

EGJ:CLA:red

Originator: Candrea Allen

Attachment: Original and Thirteen Copies



SERVICE LIST FOR: Baldwin County Internet/DSSI Service, LLC
DOCKET NO. T-20544A-07-0456

Mr. Michael N. Giles
Huron Consulting Group
6601 County Road 166
McKinney, Texas 75071

Ms. Janice Alward
Chief Counsel, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Mr. Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Lyn Farmer
Chief Administrative Law Judge, Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

BALDWIN COUNTY INTERNET/DSSI SERVICE, LLC
DOCKET NO T-20544A-07-0456

IN THE MATTER OF THE APPLICATION OF BALDWIN COUNTY INTERNET/DSSI
SERVICE, L.L.C. FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND
NECESSITY FOR FACILITIES BASED AND RESOLD PRIVATE LINE SERVICES

JUNE 16, 2008

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STAFF ACKNOWLEDGMENT

The Staff Report for Baldwin County Internet DSSI Service, LLC, Docket No. T-20544A-07-0456, was the responsibility of the Staff member listed below. Candrea Allen was responsible for the review and analysis of the application for Certificate of Convenience and Necessity for facilities-based and resold private line services.

A handwritten signature in black ink, appearing to read 'Candrea Allen', is written over a horizontal line.

Candrea Allen
Executive Consultant I

1. INTRODUCTION

On August 1, 2007, Baldwin Country Internet/DSSI Service, LLC ("BCI" or "Company") filed an application for a Certificate of Convenience and Necessity ("CC&N") to provide facilities-based and resold private line services within the State of Arizona. The Company petitioned the Arizona Corporation Commission ("Commission") for a determination that its proposed services should be classified as competitive.

Staff's review of this application addresses the overall fitness of the Company to receive a CC&N. Staff's analysis also considers whether the Company's services should be classified as competitive and if the Company's initial rates are just and reasonable.

2. TECHNICAL CAPABILITY TO PROVIDE THE REQUESTED SERVICES

The telecommunications experience of BCI's four key personnel, as indicated in the application, is a combined total of 41 years. BCI indicated in its application that it has the authority to provide telecommunications services, similar to those for which it seeks authority in Arizona, in Alabama, Florida, Mississippi, Nevada, and Wisconsin and currently provides telecommunications services in Alabama and Florida. Also in its application, BCI indicated that it has an application pending in the state of Nevada. The Company states that it has not been denied approval in any state. BCI does not currently provide any telecommunications services within Arizona.

3. FINANCIAL CAPABILITY TO PROVIDE THE REQUESTED SERVICES

The Company provided unaudited financial statements for the year ending December 31, 2006. These financial statements list assets of \$5,473,146; negative equity of \$1,447,129; and a net loss of \$1,246,811. In addition, the Company provided unaudited financial information for the year ending December 31, 2007 showing assets of \$331,786; negative equity of \$299,238; and a net loss of \$763,839. The Company did not provide notes related to the financial statements. According to the application, BCI's financing for operations comes from private funding sources.

4. ESTABLISHING RATES AND CHARGES

The Company would be providing service in areas where an incumbent local exchange carrier ("ILEC"), along with various competitive local exchange carriers ("CLECs") and interexchange carriers are providing telephone service. Therefore, the Company would have to compete with those providers in order to obtain subscribers to its services. The Company would be a new entrant and would face competition from both an incumbent provider and other competitive providers in offering service to its potential customers. Therefore, the Company would generally not be able to exert market power. Thus, the competitive process should result in rates that are just and reasonable. Upon receiving Commission authority, BCI will provide only private line services. The rates proposed by this filing are for competitive services. The

majority of BCI's customers are expected to purchase data transport service under the rates, terms, and conditions provided in the company's proposed tariff. However, there are some services and products that will be provided under individual case basis ("ICB") pricing arrangements. The services and products under the ICB pricing arrangements are similar to the services and products of other carriers that have ICB pricing arrangements.

Staff has reviewed the maximum/actual rates proposed by the Company. The services the Company is requesting authorization to provide are services targeted for other carriers and communications companies. The proposed tariffed rates are similar to those charged by BCI in other jurisdictions and are similar to the tariffed rates of other carriers in Arizona. Staff believes the proposed rates are just and reasonable.

In general, rates for competitive services are not set according to rate of return regulation. Staff obtained information from the Company indicating that its fair value rate base is zero. The rate to be ultimately charged by the Company will be heavily influenced by the market. Therefore, while Staff considered the fair value rate base information submitted by the Company, the fair value rate base information provided should not be given substantial weight in this analysis. BCI's proposed tariff includes actual rates that equal the maximum rates listed for each competitive service offered. The rate charged for a service may not be less than the Company's total service long-run incremental cost of providing the service pursuant to A.A.C. R14-2-1109.

5. REVIEW OF COMPLAINT INFORMATION

According to BCI, the Company is currently certified to provide telecommunications services in Alabama, Florida, Mississippi, Nevada, and Wisconsin. BCI also stated that it has received statewide cable franchises in Florida and Texas. The Company stated that it has pending applications for authority to provide telecommunications services in Georgia, Virginia, Illinois, and New Mexico. Also, the Company indicated that it currently offers telecommunications service in Alabama and Florida. Staff contacted the Alabama and Florida state PUCs to verify if BCI is currently providing telecommunications services. Staff also inquired if there were any consumer complaints against BCI. According to the Alabama and Florida PUCs, there have been no formal or informal complaints filed against BCI. A search of the Federal Communications Commission's ("FCC") website did not find any formal or informal complaint proceedings involving BCI. The Company stated in its application that none of its officers, directors or partners has been involved in any civil or criminal investigations, formal or informal complaints. The Company also indicated in its application that none of its officers, directors or partners has been convicted of any criminal acts in the past ten years.

6. COMPETITIVE SERVICES ANALYSIS FOR PRIVATE LINE SERVICES

6.1 PRIVATE LINE SERVICES

Private line service is a direct circuit or channel specifically dedicated to the use of an end user organization for the purpose of directly connecting two or more sites in a multi-site enterprise. Private line service provides a means by which customers may transmit and receive messages and data among various customer locations over facilities operated and provided by the Company. The Company is therefore engaged in providing telecommunications service for hire to the public, which fits the definition of a common carrier and a public service corporation. Staff believes the Commission has jurisdiction over the services to be provided by BCI.

6.2 DESCRIPTION OF REQUESTED SERVICES

BCI proposes to provide private line service. Private line service is a direct circuit or channel specifically dedicated to the use of an end user organization for the purpose of directly connecting two or more sites in a multi-site enterprise.

6.3 A DESCRIPTION OF THE GENERAL ECONOMIC CONDITIONS THAT MAKE THE RELEVANT MARKET FOR THE SERVICE ONE THAT IS COMPETITIVE.

Interexchange carriers ("IXCs") hold a share of the private line service market. Also, a number of ILECs and CLECs have been authorized to provide private line service. The Company will be entering the market as an alternative provider of private line and, as such, the Company will have to compete with several existing companies in order to obtain customers.

6.4 THE NUMBER OF ALTERNATIVE PROVIDERS OF THE SERVICE.

LECs are the primary providers of private line service in the State. Several ILECs and CLECs also provide private line service.

6.5 THE ESTIMATED MARKET SHARE HELD BY EACH ALTERNATIVE PROVIDER OF THE SERVICE.

IXCs hold a share of the private line market. ILECs and CLECs likely have a smaller share of the private line market.

6.6 THE NAMES AND ADDRESSES OF ANY ALTERNATIVE PROVIDERS OF THE SERVICE THAT ARE ALSO AFFILIATES OF THE TELECOMMUNICATIONS APPLICANT, AS DEFINED IN A.A.C. R14-2-801.

None

6.7 *THE ABILITY OF ALTERNATIVE PROVIDERS TO MAKE FUNCTIONALLY EQUIVALENT OR SUBSTITUTE SERVICES READILY AVAILABLE AT COMPETITIVE RATES, TERMS AND CONDITIONS.*

IXCs have the ability to offer the same services that the Company has requested in their respective service territories. Similarly, many of the ILECs and CLECs offer substantially similar services.

7. **RECOMMENDATIONS**

Staff recommends that Company's application for a CC&N to provide intrastate telecommunications services, as listed in this Report, be granted. Staff further recommends:

1. That the Company comply with all Commission Rules, Orders and other requirements relevant to the provision of intrastate telecommunications services;
2. That the Company abides by the quality of service standards that were approved by the Commission for Qwest in Docket No. T-01051B-93-0183;
3. That the Company be required to notify the Commission immediately upon changes to the Company's name, address or telephone number;
4. That the Company cooperate with Commission investigations including, but not limited to customer complaints;
5. The rates proposed by this filing are for competitive services. In general, rates for competitive services are not set according to rate of return regulation. Staff obtained information from the Company that indicates its fair value rate base is zero. Staff has reviewed the rates to be charged by the Company and believes they are just and reasonable as they are comparable to other competitive local carriers offering service in Arizona and comparable to the rates the Company charges in other jurisdictions. The rate to be ultimately charged by the Company will be heavily influenced by the market. Therefore, while Staff considered the fair value rate base information submitted by the Company, the fair value information provided was not given substantial weight in this analysis;
6. That the Commission authorize the Company to discount its rates and service charges to the marginal cost of providing the services.

Staff further recommends that the Company be ordered to docket conforming tariffs for each service within its CC&N within 365 days from the date of an Order in this matter or 30 days prior to providing service, whichever comes first. The tariffs submitted shall coincide with the application. If it does not do so, Staff recommends that the Company's CC&N become null and void after due process.

**8. RECOMMENDATION ON THE COMPANY'S PETITION TO HAVE ITS
PROPOSED SERVICES CLASSIFIED AS COMPETITIVE**

Staff believes that the Company's proposed services should be classified as competitive. There are alternatives to the Company's services. The Company will have to convince customers to purchase its services, and the Company has no ability to adversely affect the local exchange or intrastate access service markets. Therefore, the Company currently has no market power in the local exchange where alternative providers of telecommunications services exist. Staff therefore recommends that the Company's proposed services be classified as competitive.